Business Leaders View 1936 (Page 9)

THE FINANCIAL POST

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The Nation's Business

"Big Business"!
Politics is Now Biggest Combine in Canada
Windsor Scheme Needlessly Unjust to Investors
Japan Agreement May Not Have All Clear Sailing

Our Biggest Business

ONE of Canada's newest business ventures, one that came into existence during the years of depression, earned last year about $15,000. This was the return on over a million dollars of equity the owners have in the property.

They paid just under a quarter of a million dollars in taxes. Taxes amounted to more than one-fifth of the total gross income of the enterprise.

Is it any wonder that capital lacks confidence; that enterprising business men fail of the courage that is needed to gamble genius, time and money against such colossal odds?

* * *

GOVERNMENTS have loaded the dice against business. This means really that the dice are loaded against ordinary men and women, would-be factory and white collar workers, who would like to get off the relief rolls but cannot because business expansion lags.

There is little indication that the oppressive effects of excessive governmental spending on the whole economic and social system are realized by governments generally in Canada. New taxes are planned with a care and thoroughness that might better be reserved for finding ways of cutting present taxes.

* * *

NEWSPAPERS the other day carried two items. Some papers by coincidence carried them side by side. On reported salary increases for civil servants in Ontario; the other reported plans for a new Ontario income tax to equal about one-half the Dominion income tax. Public servants are as much entitled to salary increases as anyone, although generally their reductions were less than those forced upon private business. But civil service salary increases must come out of taxes. The simple truth is that, in order to pay the increases in the governmental service, private individuals in other occupations will have to keep their own belts tightened that much longer.

* * *

TODAY the cost of government in both the United States and Canada is equal to about one-third of the national income. Part of it is raised by taxation. The balance is being added to debt, which simply means the government is spending a large part of today's income of the people plus a large part of tomorrow's income.

The attempts of business men to reduce costs and selling prices are thwarted by political extravagance. The efforts of enterprisers to create new job-making developments are similarly hampered.

* * *

GOVERNMENT has become the biggest of the combines in restraint of trade. While the politicians rail at big business they are building up a machine of unprecedented size—a machine that is being used to crush initiative and wipe out opportunity.

Everyone pays taxes. They come out of the workers' wage envelope and the farmers' small cash income. Much of the money is redistributed among the people again. But the machinery of redistribution is inefficient. It takes a great deal of money to run it. People work hard to create wealth and the political machine dissipates much of it in wasteful motion. Every year the machine grows more cumbersome and more wasteful.

* * *

CURBING the power for evil of the machine of bureaucracy might [illegible] a major objective for Canada in [illegible]. Budgets balanced by economy [illegible] do more to bring Canada back [illegible] permanent prosperity than any [illegible]r thing.

* * *

[illegible]ndsor Debt Scheme [illegible]es Much Too Far

[illegible]HE long-expected scheme to refinance the four defaulting [illegible]unicipalities that comprise greater [illegible]ndsor has been released and has [illegible]ven investors a shock.

[illegible]he plan, which is outlined in this [illegible]sue, is doubly important: first, be[illegible]use it may set a precedent for [illegible]financing $100 millions of default[illegible] Ontario municipal debt; second, [illegible]ecause it concerns 40 per cent of [illegible] Ontario's defaults.

Bondholders of the four municipalities are asked to sacrifice major [illegible]tions of the principal of their

(Continued on page 2, col. 3)

Appeal Ruling On Refunding Dump Duties

Ask Clarification Judgment Beclouding Collections on Empire Goods

CONCERNS IMPORTERS

Customs Staff Checking Over Old Accounts — Amount Affected Smaller Than Supposed

From Our Own Correspondent

OTTAWA.—Failing [illegible] what is regarded as su[illegible]y detailed "reasons for judgment," the National Revenue department has asked the Exchequer Court to amplify and clarify its judgment with respect to dump duties imposed on British goods since Nov., 1932.

On Dec. 14, The Post reported that the department would not make a decision with regard to the appeal of this judgment until the extended reasons of the court had been received. It developed subsequently that no more extended reasons were issued by the court. Hence the present request of the department which is described, officially, as an appeal.

Illegal Since 1932

The Exchequer Court ruled that all dump duties imposed on British goods under section 43 of the Customs Act (arbitrary valuations) were illegal after Nov., 1932. In that month the government introduced and put through parliament an amendment to this section, withdrawing from the cabinet the power to impose valuations on goods entering Canada under the preferential tariff.

Speaking in the Commons, during the debate on this amendment, members of the government declared, positively, that the amendment would not affect the legality of valuations then in existence, but would prevent new ones being imposed. The valuations then in existence, therefore, continued to be enforced until withdrawn by the cabinet. In fact, one or two remained in effect when the government changed in October last.

Ordered to Refund

For the reason that the Exchequer Court ordered the National Revenue department to refund all the duties collected under these valuations, since Nov., 1932, the decision is of wide interest to the import trade. It is evident, however, that the amount of money to be refunded may be much smaller than is generally believed. The government has accepted the decision and has put the customs staff to work going over scores of thousands of import papers, but it has also posed to the court definite questions which remain to be answered and which almost certainly will be answered in such a way as to reduce greatly, the amount of money to be paid back to importing firms.

Th[illegible] judgment of Nov. 1932, applie[illegible] to section 43 of the Customs [illegible] Dump duties, however, are [illegible]sed under several other secti[illegible] of the Customs Act—notably [illegible]s 35, 36 and 37—and, also, unde[illegible] Tariff Act. In practice, the depa[illegible]t only applied sufficient dum[illegible] inst British goods to protect [illegible]dian manufacturers. The depa[illegible]t could have imposed dum[illegible] der several sections other than [illegible]t chose not to do so.

[illegible]aps Under $2[illegible]000

The [illegible]artment has now asked the court [illegible] decide whether or no, in estima[illegible] the amount of the refund to be [illegible] in each case it is not proper [illegible] the officials to calculate the am[illegible] of the other dump duties which [illegible] have been imposed had no ac[illegible] been taken under section 43. [illegible] believed that the court will an[illegible] this question in the affirmati[illegible], if so, the amount of the refu[illegible] ll be relatively unimportant—[illegible] bly not greater than $25,000. [illegible] amount of clerical work inv[illegible] in making all of these calculati[illegible] very great and will require [illegible] to complete. The department, [illegible] ver, will do it, gradually, wit[illegible] ny increase in personnel a[illegible] count the saving in refunds [illegible]th while.

Windsor Bond Scheme Exceeds Worst Fears

Bondholders May Combat Proposal of 33.4 Per Cent Reduction of Principal—Finance Commission Would Wipe $13.4 Millions Off Debt

Proposals put forward by the Windsor finance commission, appointed by the Ontario government to arrange the financial basis for merger of four Border Cities municipalities are viewed by bondholders as considerably worse than the most unfavorable terms they had feared. It bears out the prediction of Mayor Geo. Bennett that a "rude shock" was coming to bondholders.

The debt adjustment in Windsor would be the first for a defaulting Ontario municipality in memory. It concerns debt of over $40 millions. This is about 40 per cent of all municipal debt in default in the province and about eight per cent of all Ontario municipal debt. Bondholders will not accept the proposed plan in its present form, The Financial Post understands.

Propose 33.4 Per Cent Cut

The plan drawn up by the fiscal agents of the debtor municipalities proposes a permanent reduction of $13.4 millions, or 33.4 per cent in the total debt of Windsor, East Windsor, Walkerville and Sandwich. The four defaulting municipalities were merged into one greater Windsor last July 1.

Bondholders of each municipality would see their principal reduced by 10 to 65 per cent. New bonds, funding the debt over 45 years would be at three per cent. In the case of Walkerville only, the rate would be 3½ per cent after five years.

The plan of debt adjustment is proposed without the approval of the bondholders' committee, which is expected to contest the scheme. The committee has made repeated requests of small and large bondholders to deposit their securities to strengthen the defence of the investments.

Detail of Scheme

The proposal to write down the principal of bonds would make these reductions: Sandwich, 65 per cent; East Windsor, 50 per cent; Windsor, 25 per cent; Walkerville, 10 per cent. Comparative reductions are tabulated:

Windsor Finance Commission's Proposed Debt Adjustment Scheme

Municipality	Debt at June 30, 1935	To be Funded for 45 Years at 3%		Proposed Reduction in Principal	
	$	$	%	$	%
Walkerville	4,778,769	*4,300,892	90	477,877	10
Windsor	22,233,530	16,675,147	75	5,558,383	25
East Windsor	7,890,180	3,945,090	50	3,945,090	50
Sandwich	5,294,758	1,853,165	35	3,441,593	65
Total	40,197,237	26,774,294	66.6	13,422,943	33.4

*At 3½per cent after five years.

The proposal is to issue one consolidated Windsor loan in the proportions indicated above. Each of the four former municipalities, however, would be held responsible for its own share of the debt. The total includes each municipality's share of the debts of the local public utility and railways, but omits debt of separate schools in the area.

The proposed new bonds would bear interest from June 30, 1935. Amortization of principal is proposed at a flat rate for five years, thereafter at a rate to retire the debt by 1980. It is also proposed to make the new debentures callable at par.

How Scheme Drafted

The proposed refunding was drawn up by the Windsor Finance Commission of which Harry J. Mero is chairman. The fiscal agent for Windsor was the Guaranty Trust Co. of Windsor, which co-operated with the finance commission.

At the time the commission and fiscal agent were drafting their idea of what the debt adjustment ought to be, chartered accountants representing bondholders made a survey of the finances of all four municipalities. Their report has not been released. The Financial Post is informed, however, that it will show the municipalities capable of paying reasonable rates of interest on the entire debt.

In releasing his statement of the proposed debt adjustment, Mr. Mero states that the annual budget of Windsor is to be subject to the approval of the Ontario Municipal Board. It is also stated that the budget is fixed at $3,150,000 for 1936. Recently, however, the city council

(Continued on page 2 col. 6)

CAN YET APPEAL GT. LAKES PAPER SALE OF ASSETS

Opponents Undecided — Gefaell Deal Going Forward

An appeal against court approval of sale of assets of Great Lakes Paper Co. is still possible. No plans have been made by opponents of the deal to enter an appeal, however.

National Trust Co. is understood to have given definite assurance to Gefaell-Aldrich that it will supply Gefaell customers with paper—while the plan is being completed—on the following terms:

1. Will sell paper to these customers on same basis as Gefaell contracts up to the beginning of April or until such time as the plan is completed.

2. In the event of the Gefaell-Aldrich plan not being completed by April 1, National Trust Co. will give customers a discount of $2 a ton for whole year retroactive to the beginning of 1936, but with a minimum price of $39 a ton for Chicago delivery.

Court Decision

Acceptance of the Gefaell-Aldrich bid, which was strongly opposed by the newsprint industry, was approved in the Supreme Court of Ontario by Mr. Justice J. A. McEvoy on Dec. 21, 1935.

The decision was a grave disappointment to opponents of the sale plan. After allowing for the court's Christmas recess, there are 15 days in which an appeal may be made.

As forecast in The Financial Post last week, a charter has been granted for Upper Lakes Paper Co., which will take over the Great Lakes assets and issue its own securities to investors in Great Lakes Paper Co. in exchange.

Particulars of new securities to be issued to bondholders of Great Lakes Paper Co. were given in The Financial Post for Dec. 28, 1935.

United Amusement

United Amusement Corp.'s refunding bond issue, which will be brought out soon by a syndicate headed by W. C. Pitfield & Co., will be offered to yield around five per cent. This company operates 19 motion picture theatres in Quebec. About 15 are in the Montreal area.

General Gains Seen in '36 Among Most Advertisers

Leading Canadian advertising agencies are looking forward to considerably higher appropriations on the part of their clients in 1936, The Financial Post is informed. Expected increases range from 10 to 20 per cent. National advertisers, for example, are slated to spend at least 10 per cent more than in 1935 with prospects of a larger proportion of new proposals being accepted for 1936 than for many years.

One leading agency says they estimate business in Canada will be 20 per cent better in 1936 than in 1935 and they are urging clients who wish to take advantage of this improvement to increase their appropriations accordingly.

Specific Gains Coming

Another agency estimates its chief accounts will spend 10 per cent more on the average with specific gains already contracted for in foodstuffs, drugs and insurance appropriations. Another group from which increased advertising appropriations are definitely anticipated is the tobacco firms due to the fact that after January 1 premium coupons are being abolished.

Automobile companies are still not definite about 1936 plans, it is said, due to uncertainties as to tariff action and so forth. Gains ranging from 15 to 30 per cent in appropriations are expected, but agencies are apparently finding it hard to get schedules and plans definitely okayed.

New Products

Another source of increased expenditure is for new products and new packages which are expected to make their appearance in increasing number in 1936. This applies to all types of merchandise and will mean increased appropriations for common or garden products as well as for specialties and higher priced goods which have started to move in good volume during the last half and last quarter of 1935.

Building is another field from which improvement is expected in 1936 with manufacturers of special materials, equipment, etc., back in the advertising columns again in a substantial way after several years of quiescence. A forerunner of this improvement will be seen in sharply increased appropriations for household equipment, refrigerators, stoves, radios, etc.

—Drawn for The Financial Post by R. Knell.

STRIP POKER

Other Declines—Coal imports and bank debits.

N. Z. Butter Embarrasses Government

Dump Duty Applied on Surprise Shipment

POLICY NOT FIXED

From Our Own Correspondent

OTTAWA.—The currency dump has been imposed by the National Revenue Department on a shipment of 61,000 pounds of New Zealand butter landed at Vancouver. The dump was fractionally under 4 cents per lb., which, with the treaty tariff of 5 cents, brought total customs charges to practically 9 cents per lb.

Prevailing wholesale prices are 25½ cents per lb. at Montreal and 26 cents at Vancouver. It is learned that the laid-down cost of the New Zealand butter at Vancouver is 21 cents, so that the importers stand to take a substantial loss.

Order Not Rescinded

Word of the impending import of New Zealand butter appears to have caught the cabinet unprepared. While the currency dump has been imposed on this particular shipment, there is no reason, as yet, to believe that further shipments will be given like treatment. The legal position of the government is as follows: Under article four of the New Zealand trade treaty and an order-in-council passed by the Bennett government in 1932, the imposition of currency dump duties is mandatory. To remove the dump it would have been necessary for the cabinet to rescind the 1932 order and this was not done.

It is understood the matter was referred, at the eleventh hour, to a cabinet sub-committee composed of Hon. W. D. Euler, minister of trade and commerce; Hon. J. L. Ilsley, minister of national revenue; and Hon. J. G. Gardiner, minister of agriculture. The sub-committee decided, for the time being, to let the order-in-council stand, but it is believed probable that a full discussion will take place in cabinet early in the new year. The decision to apply currency dump duties in this instance, therefore, does not mean that the government is committed to such a policy.

Surprise Shipment

Advices that the shipment was en route came as a surprise to Ottawa. Only last October, acting on the belief that a large surplus of butter existed, the Bennett government created an export board which subsidized the shipment of 6.6 million pounds to the United Kingdom. Private shipments brought the total export movement to seven million pounds. The subsidy paid by the treasury worked out at 1.16 cents per lb., or $76,000 in all. It is claimed that this export movement improved prices by three cents per lb., from 23 to 26 cents. This benefit, however, is now imperilled by the possibility of imports coming in from New Zealand free of currency dump duties. The butter trade, it is learned, is active at Ottawa in defense of the dump duties and is endeavoring to maintain protection against New Zealand at the maximum.

E. G. BAKER WILL BE HEAD MOORE CORP.

Appointment Will Come Soon — S. J. Moore as Chairman

E. G. Baker's appointment to the presidency of F. N. Burt Co. has just been announced. Early in 1936 he will be appointed president of Moore Corp., it is understood.

S. J. Moore founded the company now known as Moore Corp. 50 years ago. He bought F. N. Burt Co. in 1909. His relation to these companies has been that of pioneer and builder but in recent years he has been passing on operating responsibilities to younger men who have spent their business lives with the companies and have contributed materially to their success. Mr. Moore's counsel will still be constantly available as he will follow the course he has already adopted on the Bank of Nova Scotia and F. N. Burt Co. He will be chairman of the board on all three companies.

E. G. Baker will be succeeded in the vice-presidency of F. N. Burt Co. by W. N. McLeod, former secretary. Other officers will be: M. R. Cass, vice-president; W. H. Browne, secretary; J. H. Paterson, general manager of United States division; T. S. Duncanson, assistant general manager of United States division; and R. S. Dunlop, manager at Toronto.

Biltmore Hats Ltd. Pays $1.25 a Share

Declaration of a dividend of $1.25 per share on the common stock of Biltmore Hats Ltd. was announced at the annual meeting of shareholders held Dec. 30. The disbursement is payable Jan. 23 to shareholders of record Jan. 15. This compares with 50 cents a share paid in July, 1935, and $1 a share paid in January, 1935.

Declaration of the larger dividend than a year ago is a reflection of the continued improvement in the company's business. In the year ended Nov. 30 last, earnings on the common stock amounted to $3.16 a share. Dividend declarations for the year were $1.50 a share, leaving a surplus of $1.66 a share.

Quebec Power Operators To Submit Rate Schedules

From Our Own Correspondent

MONTREAL.—One of the first acts of the newly formed Quebec Electricity Commission is to ask all public services in the province to submit to the Commission before February 1 next, copies of schedules of all rates and charges to all customers, as well as copies of rules, regulations and forms of contract affecting or pertaining to its rates, charges or services.

This notice is taken to indicate that one of the initial steps of the Commission will be an examination and study of the electric rate situation throughout the province.

Highlights

War or Peace?

Does the German renaissance under Hitler threaten the peace of the world or herald a revival in the arts of peace? Page 9

Money for Mines

Capital swinging toward expanded development of Canadian mining properties where stake is already $831 millions. Page 15

Thrifty Maritimes

Economy and efficiency account for sound financial condition of Halifax, Moncton, and Quebec municipalities of Granby, St. Hyacinthe and Westmount. Page 16

Furniture Fears

Canadian furniture manufacturers fear new troubles arising out of competition from demoralized furniture industry of the U. S. Page 3

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B. C. Packers Appoints New General Manager

From Our Own Correspondent

VANCOUVER.—J. M. Buchanan, a practical fish packing executive with a lifelong experience in the industry, has been appointed general manager of B. C. Packers, Ltd. He will have direct control over the company's extensive operations under H. R. MacMillan, president. He will also take over many of the duties assumed in the past by C. C. Thomas, for some years managing director and who has been in ill health.

Abitibi's Liquidator

Liquidator of Abitibi Power & Paper Co. appointed to succeed F. C. Clarkson is E. V. McPherson. G. T. Clarkson as receiver continues in charge of management.

Ottawa Valley Now Revising Offer to Hydro

Latter Turns Down Rental Plan Involving Hydro Bond Issue

BOND PLAN SNAG

From Our Own Correspondent

MONTREAL.—Ottawa Valley Power Co.'s first proposal to Ontario Hydro-Electric Power Commission has been rejected as a basis on which to rent the Quebec side of the Chats Falls project.

The company is now revising the offer, Hydro being willing to consider either a rental or ownership proposal if it takes into consideration that the power is not needed at the moment.

Won't Pledge Credit

The first proposal was unacceptable to Hydro because it asked for a pledging of provincial credit. Hydro was asked to exchange government-guaranteed 3 per cent bonds for the $9 millions of first mortgage callable 5½ per cent bonds now outstanding.

No statement has been made as to disposition proposed of Calgary Power's holdings of $1½ millions of 6 per cent debentures and 50,000 no par value common shares.

Revised Index Of Retail Sales Up 3 Per Cent

A feature of the week's business news, in addition to a rise of 3 per cent in the retail sales index, is a new and revised index of retail store sales in Canada to be published each month by the Dominion Bureau of Statistics. The index embraces 169 chains comprising 3,300 stores and 37 departmental establishments.

Percentage changes from the previous month and from the same month last year are:

Monthly	Nov.	Change From prev. period %	Change From prev. year %
Newsprint exp., tons	244,037	+ 1	+ 10
Elec. pwr. output*	2,143,314	—0.9	+ 9
Coal imports, tons	1,360,058	— 3	— 18
Bank debits*	$3,021,500	+ 3	— 2
C.P.R. net earn.	$3,455,408	—18	+ 0.3
C.N.R. net earn.	$2,335,158	—35	+ 37
Motor Vehicle Sales:			
Passenger, No.	5,180	+77	+348
Trucks & buses	805	—17	+ 44
Retail Sales Index (1930 = 100):			
Boots & shoes	69.4	— 2	+ 6
Candy	58.6	— 2	+ 1
Men's clothing	70.2	+ 2	+ 3
Women's clothing	61.7	— 1	— 4
Departmental	74.9	+ 2	+ 4
Drugs	76.5	+ 4	+ 6
Dyers & cleaners	70.9	+ 9	— 6
Furniture	79.4	+ 4	+ 14
Groc. & meats	71.1	— 5	—0.7
Hardware	88.3	+ 6	+ 21
Music & radio	44.8	— 6	+ 7
Restaurants	54.6	+ 2	+ 1
Variety	84.9	+ 1	+ 2
General index	72.2	— 1	+ 3
Weekly			
Car loadings, No.	41,650	— 3	+ 1
Cattle sales, No.	4,050	—64	— 12
Hog sales, No.	9,838	—55	— 18

* 000's omitted.

Loblaw Profits Show Increase

Increased sales and profits by Loblaw Groceterias in the four weeks ended Dec. 14 raise total profits to that date above those for the corresponding 1934 period.

It is understood that the company had a particularly satisfactory Christmas volume so that the next sales report for the four weeks ending Jan. 11 is also expected to show improvement.

Sales for the four weeks ended Dec. 14 were up 3.61 per cent. Profits showed a greater proportionate increase, advancing 12.6 per cent.

Comparative figures follow:

Loblaw Sales and Profits

4 weeks end. Dec. 14:	1935	1934	Incr.
	$	$	%
Sales	1,330,436	1,283,974	3.61
Profits	80,080	71,105	12.6
28 wks. to Dec. 14:			
Sales	8,321,776	7,999,969	4.02
Profits	386,281	382,098	1.09

Trouble Lurks In Aftermath Of Jap Accord

Settlement of Trade Dispute Contains Germs of New Controversy

U. K. DISSATISFIED

Implied Abandonment of Currency Dump Duties By Ottawa Arouses Manufacturers' Fears

From Our Own Correspondent

OTTAWA. — Settlement of the Canada-Japanese trade dispute is recognized at the capital as the second most important act of fiscal policy to be announced by the King government.

Although less sweeping than the U.S.-Canada trade agreement, it is regarded as being of fundamental importance.

Unquestionably the outstanding feature of the settlement is the virtual abandonment by Canada—although this has practically escaped attention—of currency dump duties. Within two years, failing unforeseen changes, Japanese goods will enter Canada without currency dump duty. Manufacturers who strove to persuade the government to retain the dump against the depreciated yen, signally failed.

U. K. Interests Concerned

There is, too, the British angle. United Kingdom interests keenly desired to retain their market in Canada for textiles of a kind produced by Japan.

They, therefore, were strongly in favor of the Canadian government retaining the currency dump, and the settlement will be regarded by them as a serious reverse in their world wide battle against Japanese goods.

The government, of course, can rectify the situation so far as British manufacturers are concerned by granting further tariff cuts, but the fears of Canadian manufacturers may not be removed so easily.

The Fall of the Yen

The Japanese yen was worth 49 cents in Canadian money on the old gold standard. Shortly after Britain abandoned gold, in Sept. 1931, Japan depreciated her currency. The yen fell rapidly and for some time has been worth about 29 cents.

The Bennett government refused entry to Japanese goods at the depreciated value of the yen. The yen, for customs purposes, continued to be valued at 49 cents and if the Canadian importer did not settle for good on that basis, the government collected the difference between 29 and 49 cents as a currency dump.

Trade War Precipitated

The Japanese government complained about this treatment and the Bennett government last summer made plans to revise the currency dump. It was conceded that prices of raw material etc., had risen in Japan and to allow for such increases the value of the yen was dropped, by Ottawa, from 49 to 41.5 cents. Japan declined to accept it and the trade war began, with both sides clapping on exorbitant surtaxes.

Agreement Reached

The King government has now come to an agreement with Japan and, with respect to the currency dump, the settlement is as follows:

Ottawa will value the yen in 1936 at its five year average in Canadian money in the period 1930-34, inclusive.

In 1937, the value will be the average in the years 1931-35 inclusive, and so on.

This settlement means that in 1936 the value of the yen will be 39.5 cents instead of 41.5 as heretofore.

In 1937 it will be about 34 cents and in 1938 it will be 29 cents, its present market value, unless there is a rapid rise in the value of the yen, or a corresponding depreciation in the value of the dollar, in the ensuing year.

It is true that the settlement retains some of the arbitrary values, notably the valuation on rubber footwear, but the currency dump has been the chief weapon against low cost goods from Japan.

Theory vs. Operation

Otherwise, the settlement appears to be much more feasible on paper than it is likely to prove in practice. Goods of a class or kind not made in Canada are to be free of dumps of all kinds.

The test, here, is that production in Canada must equal 10 per cent of the domestic market. Obviously this provision is practically impossible to administer.

The National Revenue Department, it appears, is totally unequipped to decide if anything is made in Canada. Nor could any narrow interpretation of this provision be sustained.

Some goods, not produced in Canada, certainly compete directly with goods that are so produced.

It follows, too, that these concessions to Japan will be granted immediately to other countries with depreciated currencies. The list includes Norway, Sweden, Finland and Denmark. Value in 1936 for the Denmark krone has already been set at 23.7 cents and for the Finland mark at 2.2 cents.

In many respects, the settlement is the most controversial act which has been carried out by a government at Ottawa since 1930-31 when the Bennett ministry applied its Canada-first tariff.

Mutual Relief Is Taken Over By Empire Life

Reinsurance Plan is Arranged—Head Office at Kingston

$36,000,000 IN FORCE

Toronto Company Established in 1923 — Absorbs Former Fraternal 55-year-old Organization

Announcement was made this week of a plan for reinsuring the business of the Mutual Relief Life Insurance Co. with the Empire Life Insurance Co. The former has stated assets of over $5 millions, the latter, assets of $3.2 millions. Total admitted assets of the continuing company (Empire Life) will be over $8 millions and total business in force $36 millions.

The head office of Empire Life Insurance Co. will be moved in the near future from Toronto to Kingston, Ont., the present home of Mutual Relief. The Empire Life management and directorate will continue as at present. Some officials of the Mutual Relief will be absorbed by the Empire. Both companies do business under provincial charters.

Two Principals

Empire Life commenced business in Toronto under a provincial charter in 1923. In 1929 it absorbed the Commonwealth Life of Hamilton. Its position was considerably strengthened by a call on shareholders in 1932 and by a capital reorganization in June of this year whereby par value of the company's shares was reduced 50 per cent to $50 a share thus wiping out a capital deficiency and creating a non-distributable capital surplus of almost $200,000 over and above capital stock of $313,000. Business in force at the end of 1934 was $17.2 millions.

Mutual Relief Life with head office at Kingston was founded in 1875 as the Oddfellows' Relief Association and did business as a fraternal association under this name for 55 years. In June, 1929, it obtained a new Ontario charter and under its present name commenced business as a purely mutual life insurance company. Business in force at the end of 1934 was $18.6 millions.

Reason For Merger

According to an independent report of L. K. File, Toronto actuary, reason behind the proposal to reinsure is the fact that "on a fair valuation basis which would reflect reasonable future expectations in the case of those securities now in default or in possible danger of becoming depreciated, the liabilities as determined by the company's actuary were considerably greater than the present value of the assets thus revalued."

Accordingly, says Mr. File, it became necessary to seek means of protecting the interests of the Mutual Relief policyholders and "this has been made possible by the proposed reinsurance agreement with the Empire Life."

Terms of Agreement

Under the agreement the Mutual Relief agrees to transfer all its assets to the Empire Life, which agrees to assume the liabilities of the company under the following conditions.

1. All Mutual Relief policies issued since June 8, 1929 (date on which the company changed from a fraternal to a mutual concern) will receive an unconditional guarantee to the full extent of their contract.

2. All policies issued prior to June 8, 1929 (by Oddfellows' Relief Association of Canada) will receive a certificate of guarantee "provided that in the event of the net rate of interest earned on the invested assets of the mutual company, being by reason of new federal or provincial legislation, reduced below the rate required to maintain the reserves on such contracts," the Empire Life may with the approval of the insurance superintendent reduce the sums payable under these contracts by five per cent. This privilege of reduction extends for 5 years only.

3. No policies issued prior to June 8, 1929 may share in any surplus or be entitled to any disability benefits.

4. A further provision which affects all policies issued prior to August, 1918, sets forth that on these policies the company agrees to pay only such cash surrender values as shall be determined by the board of directors of the Empire Life on the recommendation of its actuary. On fraternal policies issued between August, 1918 and June, 1929, the full terms of the policies such as cash or loan values, paid up policy values and extended insurance are guaranteed.

Fraternal Reserves Four Per Cent

Reason for the provisos in respect of the fraternal contracts of the Mutual Relief Life according to L. K. File, is that the reserves on this business are being maintained on a four per cent interest basis. In view of the tendency to falling interest rates it was therefore considered possible that a situation might arise when interest earnings might fall behind the amount necessary to maintain these reserves and that in this way the "financial structure behind the policy contracts would become seriously impaired."

The plan now awaits formal approval of the policyholders of the Mutual Relief Life and is subject to the approval of the Ontario Insurance department after thirty days have elapsed from the publication of terms of the agreement on Dec. 23.

Personnel of Directorate

Dr. J. C. Connell, of Kingston, is president of Mutual Relief Life. D. A. Shaw is vice-president and W. T. Fortye, assistant general manager and secretary. Directors include C. C. Folger, W. Jackson, Hon. T. A. Kidd, J. M. Campbell, W. A. Mackintosh, James Rigney, H. B. Muir and Dr. W. T. Connell, all of Kingston; also W. McDonald, Montreal and Joseph Powley, Toronto.

C. P. Fell, of Toronto, is president of Empire Life and L. T. Boyd general manager and actuary. Vice-presidents are B. R. McKenzie and A. H. Keith Russell. The directorate includes A. H. Venderburgh, J. M. Vaughan, George M. Orr, D. R. McLaughlin, W. McCormick, Newman A. Fairhead, George J. Guy.

20 Years With A. McKim

CHARLES T. PEARCE

President and general manager of A. McKim Ltd., who was recently presented with an engraved gold watch by his business associates on completion of twenty years association with the well-known advertising agency. Mr. Pearce was guest of honor at a luncheon tendered him to commemorate the anniversary of his joining the firm.

Newsprint Sales Gain in November

From Our Own Correspondent

MONTREAL. — Canadian newsprint exports during November had a value of $8.2 millions, according to report of Dominion Bureau of Statistics. This was in contrast with practically the same amount in the previous month, and compares with $7.7 millions for the corresponding month of last year.

For the eight months of the federal fiscal year ending with November exports of newsprint from the Dominion had a value of $59.9 millions, compared with $54.6 millions in 1934.

The Nation's Business

(Continued from page 1)

investments and to take sharply reduced interest rates on the remainder. These proposals are made prior to explanation to bondholders of the necessity, if any, for such sacrifices. Neither has it been indicated that there is to be equality of sacrifice; that citizens of Windsor are doing their bit as well as the bondholders.

Bondholders have to make sacrifices to aid honest defaulters. This they recognize as inevitable. But they also ask fair treatment; they do not want to be forced to accept deep cuts in their investments in order to protect profligate municipalities from the necessity of major economies.

* * *

THE financial morass into which Windsor has sunk was created partly by the circumstances that cut off employment of many Canadian commuters in Detroit. To a major extent, however, the Windsor bankruptcy is due to the improvidence and extravagance in the past of those in charge of the city's affairs. The depression merely brought the situation to light.

The Ontario Department of Municipal Affairs, of which Hon. David Croll, former mayor of Windsor, is minister, is responsible for such matters as the proposed Windsor debt adjustment. To the extent that the Windsor debt scheme is unjust the new department is remiss in its duties and fails all Ontario municipalities who must retain the goodwill of lenders to obtain the funds they will require for future developments.

Because of the importance of the Windsor scheme to all municipal credit in Ontario, the province would be wise, in this first debt adjustment, to bring authorities from other provinces into consultation as referees. Men such as Oscar Morin, past chairman, and L. E. Potvin, present chairman, of the Quebec Municipal Commission, and S. P. Grosch, chairman of the Saskatchewan local government board, would have the confidence of creditors and have the reputation of fair dealing with municipalities.

Certainly Mr. Croll's former position as mayor of one of the Windsor municipalities should make him anxious to get independent judgment behind a refinancing plan.

AS AN indication of discrimination in the Windsor plan, the case of the former town of Walkerville—now in greater Windsor—is noteworthy. Walkerville is proud of its capacity and willingness to pay its debts in full at present interest rates, given only adjustment of principal maturities. The town did not want to default. It has not asked for reduction of either principal or interest. Yet, the plan proposes to write 10 per cent off the debt and to make a large reduction in the rate of interest.

Is there a sinister influence behind this phase of the Windsor plan? Can it be that powers in Windsor desire to reduce Walkerville's obligations so as to bring as much additional revenue as possible into the greater city's coffers?

It is almost certain that vigorous protests will be made by bondholders against the Windsor debt adjustment scheme. The best chance to make protests effective is for investors to enlist with the bondholders' committee immediately by deposit of securities. Without unity among the bondholders, the deep waters running beneath the Windsor scheme will engulf a large part of the bondholders' principal forever.

* * *

Squabbles Ahead Of Jap Agreement

GREAT significance attaches to the Jap-Canada trade settlement for several reasons. First, because Japan has for several years been an important factor in Canadian trade and promises to be an even more important factor in the future.

Even in depression days total trade between the two countries averaged $18 millions. In good times it was three times this figure. The biggest year was 1928-29 when volume reached over $55 millions. Current volume is about $20 millions annually, with Japan a better consumer of Canadian products than we are of her goods, though trade figures are misleading by reason of large Canadian imports of silk, etc., which enter via United States and are not credited to Japan.

Even more important is the principle established in this agreement whereby the King government sets forth officially the attitude it is going to take on the matter of valuation for duty purposes of depreciated currencies or what is commonly known as the currency dump duty.

The plan outlined in the Japanese settlement and which will naturally be granted to other countries whose currencies are depreciated such as Norway, Sweden, Finland and Denmark, is to take for 1936 the average valuation in Canadian money of the currency in question for the five-year period 1930-34 inclusive. For 1937 the value will be based on the five years 1931-35 inclusive and for 1938 the same plan will be followed on a 1932-36 basis. For Japan this means for 1936 an average value for the yen of 39.5 cents compared with a market value of 29 cents, a par value of 49 cents, and a value of 41.5 cents which was the basis to which Japan objected last summer.

The 1936 value does not seem unreasonable in view of all the circumstances but the rub will come in 1937 and 1938 since under this basis the valuation drops off very sharply unless something unforeseen occurs in 1936, and may mean a substantial advantage to countries with depreciated currencies at that time.

* * *

ANOTHER important matter uncovered as a result of the Jap agreement is that goods of a class or kind not made in Canada are to be free of dumps of all kind if it is established that production in Canada does not equal 10 per cent of the domestic market. Reasonable in theory, this plan has yet to prove workable in actual practice for the provision is to be administered entirely by the department of National Revenue which seems to be totally unequipped to decide whether anything is made in Canada and if so what proportion is so made.

Thus the agreement seems one due to rouse substantial controversies which have already begun within the Cabinet fold according to well-founded reports. It marks furthermore an important step away from the flexible tariff system under which Canada has operated now for several years. This flexibility has been a cause for bitter controversy while it was in force—it is apparently to be the cause of equally bitter discussion among Canadian manufacturers now that it is being removed and now that Canada is returning to a rigid tariff and customs formula once more.

RANCOUR SHOWN IN WALKERVILLE ON CROLL POLICY

Manipulation of Bonds Alleged by Croll and by Critics

There is rancour in Walkerville over policies attributed to Hon. David Croll, Ontario Minister of Municipal Affairs, in connection with the amalgamation which united Walkerville, East Windsor, Sandwich and Windsor into one city. Mr. Croll was formerly mayor of Windsor and represents a Border Cities constituency in the Ontario legislature.

The claim of the Walkerville Property Owners' Association is that assets of the town should not be merged with those of the other municipalities until Walkerville is given special credit for its better financial condition. Recently a petition was sent to the Ontario government claiming that proposals to take assets of the Walkerville hydro-electric system into the Windsor system are contrary to the Windsor Amalgamation Act of 1935.

Hon. David Croll subsequently issued a statement implying that someone is issuing propaganda to try to manipulate Walkerville bonds upward and Windsor bonds downward.

Croll Criticized

B. W. Bennett, president of the W.P.O.A. and a former mayor of Walkerville, has now issued a statement criticizing Mr. Croll severely, and suggesting that the whole amalgamation scheme allows manipulation of the bonds of the four merged municipalities.

Walkerville electors in December, 1934, voted over four to one against the amalgamation plan.

Mr. Bennett questions "what strange set of circumstances" motivated Mr. Croll to rush the Windsor Amalgamation Act through the Ontario legislature without giving members of the government or citizens of the municipalities an opportunity of seeing the Royal Commission report on amalgamation. The Act was passed, says Mr. Bennett, despite Mr. Croll's "solemn pledge" not to take steps toward the merger without the approval of the majority of Walkerville electors. A sinister motive is imputed by Mr. Bennett in what he calls Mr. Croll's "strenuous efforts of about a year ago to force Walkerville into technical default on its bonds to further his amalgamation scheme."

Says Croll Used Trick

Instead of answering the complaints made in the petition of the Walkerville Property Owners' Association, Mr. Bennett states Mr. Croll resorted to a "time-worn political trick" in trying to cast aspersions on the veracity of the citizens making the complaint. Of Mr. Croll's warning that the Border Cities amalgamation is here to stay, Mr. Bennett comments, in part:

"His unworthy attempt to intimidate the petitioners...can only be interpreted in one way, that he now considers that he is a law unto himself and no longer responsible to the people who placed him in office, which is only a further indication of his total unfitness for the important position which he now holds."

WINDSOR BOND SCHEME EXCEEDS WORST FEARS

(Continued from page 1)

has proposed additional expenditures of over $150,000 for the new year.

Possible Modifications

As yet, no allowance appears to have been made in the proposed debt adjustment scheme to allow for possible increases in relief grants to Windsor as a result of the Dominion government's higher awards to Ontario following the recent Dominion-provincial conference. Increased grants to Windsor would leave the city a considerably larger amount of money available for debt charges than has been reckoned, it is understood.

Another phase of the proposed debt settlement is that little allowance has been made for the possibility that tax collections and the income of the Windsor area may increase. This, too, would be expected to increase capacity to pay.

The only proposal whereby bondholders might eventually recover part of their capital losses concerns tax sale lands owned by Windsor. It is proposed to hold some $7 millions of such property in trust, proceeds of any sales to be distributed at 5-year intervals to those persons who own Windsor bonds at the time the refinancing may become effective.

Royal Commission Report

The debt adjustment proposals follow the recommendations of a Royal Commission that a finance commission be empowered to draft a plan to merge the debt and refinance greater Windsor. The Royal Commission stated that the citizens of the area owe their bondholders "nothing less than the best efforts possible to hold their loss to a minimum." Hon. David Croll, Ontario Minister of Municipal Affairs, and formerly mayor of Windsor, was instrumental in appointment of the Royal Commission and has been a strong advocate of the unification of the defaulting municipalities.

H. J. Mero, of the finance commission, in announcing the proposed scheme claimed that only by a compromise with the creditors can the new municipality put its house in order and resume payment of both interest and principal on its debentures.

Although no serious effort appears to have been made yet to justify the proposed large reductions of principal as well as of interest, considerable debate on this subject is anticipated.

Dominion Government Notes

The $40 millions of three-year two per cent notes, due Jan. 1, 1939, sold by the Dominion government at 99.75 to Canadian banks were taken up in the following proportions:

New York banks:	$
The Chase National Bank	10,000,000
The National City Bank	5,000,000
Bankers Trust Co.	5,000,000
Chemical Bank & Trust Co.	2,000,000
Central Hanover Bk. & Trust Co.	2,000,000
The New York Trust Co.	1,000,000
Total New York	25,000,000
Canadian banks:	
The Royal Bank of Canada	9,000,000
Bank of Montreal	2,750,000
The Canadian Bk. of Commerce	2,000,000
The Dominion Bank	750,000
Barclays Bank (Canada)	250,000
Bank of Toronto	250,000
Total, Canada	15,000,000

New Secretary Candn. Pacific

From Our Own Correspondent

MONTREAL.—Frederick Bramley, who succeeded E. Alexander as secretary of the Canadian Pacific Railway, at the beginning of the year, brings to his new post extensive executive experience of railway administration and of C.P.R. organization in particular. He joined the staff of the London North Eastern Railway in 1910, and in 1915 was transferred to the War Office in London, where he became secretary to Sir Eric Geddes.

FRED BRAMLEY

During the latter war years Mr. Bramley became private secretary to Sir Guy Granet, general manager of the Midland Railway and thereafter to Sir Sam Fay, general manager of the Great Central Railway. His next post was as private secretary and later executive agent to Sir George McLaren Brown, European general manager of the Canadian Pacific. Then he was appointed general agent for the company in Northern Ireland, which post he held for the last three years.

Municipal Finances

Port Elgin, N.B., has been authorized to issue $7,000 of 20-year 3½ per cent debentures for street paving.

* * *

Montreal Metropolitan Commission will press tax collections of the 14 municipalities under its control. The 11 solvent municipalities had tax arrears of $1,242,000 at Nov. 30, 1935, 16.6 per cent of the total budgets for 1935, compared with 18.8 per cent at Nov. 30, 1934. The three insolvent municipalities had arrears of $137,000 at Nov. 30, 1935, compared with $133,000 at a year earlier.

* * *

Oshawa council has adopted the 1936 budget drafted by Treasurer Peter A. Blackburn. Tax rate of 48 mills is two mills higher than in 1935. Receipts are estimated at $1,377,136, expenditures at $1,271,592; compared with $1,442,609 and $1,633,351 respectively in 1935. In 1935, 77.6 per cent of the current levy has been collected, and, including arrears, collections for 1935 will total 105.5 per cent of the levy, compared with 100.8 per cent in 1934.

* * *

London unemployment relief cost $186,547, up to Oct. 31, 1935, plus $29,866 for administration. The city's tax rate in 1935 was 39.9784 mills, compared with 38.1822 mills in 1934 and 35.6151 mills in 1928.

* * *

Listowel, Ont., had a surplus in 1935, revenue of $97,029 exceeding the estimate of $94,971, and expected to pay off its bank loan, which had been reduced from $41,721 in 1930 to $14,691 in 1934.

* * *

Ottawa has lost $332,499 to date on the municipal housing scheme started in 1919, after allowing for "deferred profits" of $38,876. "The venture has been a very costly one for the ratepayers," states Finance Commissioner G. P. Gordon.

* * *

Sault Ste. Marie taxable assessment for 1936 will total $19,324,221, the reduction from 1935 being only $33,000.

* * *

Brandon, Man., civic revenues are reported to be insufficient, after school, relief and debenture expenditures, to leave sufficient funds for maintenance of necessary services. The city's situation may be relieved substantially by greater government assistance with direct relief.

* * *

Guelph is requesting the Ontario Municipal Board to authorize an issue of debentures to pay for construction of new deep wells to increase the city's water supply.

* * *

St. Catharines has taken up and cancelled $60,000 of one to five year 3½ per cent debentures through its own sinking fund. This still leaves a surplus of $16,841 in the sinking fund according to a report by Stuart K. Watt, finance commissioner.

The resultant saving is 3/5 of a mill in the 1936 tax rate.

Sinking fund investments include: $262,816 of St. Catharines bonds, including the $60,000 being cancelled; $962,222 of Dominion bonds, of which $436,000 are 5's, $196,000, 4½'s. Cash on hand is sufficient to meet maturing debentures.

* * *

Verdun, Que., direct relief costs were $820,000 up to Nov. 30, 1935, compared with $812,000 in the whole of 1934. Public works, which cost $101,900 in 1934, have been almost eliminated.

* * *

Edmonton taxpayers have suggested that the 1936 tax rate be not above 50 mills compared with 55 mills in 1935. The 55-mill rate in 1935 produced tax collections including arrears, of more than 100 per cent of the levy, but leaves a $180,000 budget deficit. One difficulty in lowering the 1936 mill rate is that taxable assessments have decreased.

* * *

Sault Ste. Marie tax rate for 1936 is expected to show an increase over the 34.5 mills of 1935. Payment of some $30,000 on unemployment relief debentures issued in the last two years will have to be included in the 1936 budget.

The city's tax collections, including arrears, were $705,011 up to November 30, out of a levy of $747,685 for the year. Current tax collections, of $549,515, were slightly less than 74 per cent of the levy, which however, indicates a slight improvement over 1934 collections.

* * *

Bourget township, Que., school commission is paying overdue debenture interest for Jan. 1, 1935.

Many New Plans for 1936 Made by Tobacco Companies

From Our Own Correspondent

MONTREAL.—Changes in its merchandising policy on cigarettes will be put into effect this week by Imperial Tobacco Co. of Canada. The form of packaging will be altered on certain brands in order to make for more convenient handling, while the retailer will benefit by a wider margin of profit. There will be no change in the retail prices, and the new policies will be made available by the end of this week and expanded at a series of sales conferences to be launched early in the year.

Increasing the margin of profit for the retailers is said to have been made possible by the larger volume of business handled by Imperial Tobacco and by plans to eliminate premiums during 1936. Cigarette sales have risen 9 per cent in Canada in 1935 according to official figures.

This week Imperial Tobacco paid the 115th consecutive dividend on its ordinary stock. An amount of $826,965 was distributed. Thus, on regular interim account, dividend payments for 1935 are brought up to $3,307,861. In addition to the "final" dividend for 1934, and paid in 1935, amounted to $1,653,930; making in all $4,961,791.

Premiums to Disappear

The new plans dovetail with a general agreement that has apparently been reached in the industry to eliminate tobacco and cigarette premium coupons and also odd-sized or cut-rate packages. Forecast several weeks ago, these plans have apparently been definitely formulated.

The only exception to the no-premium plan will be in the case of one or two brands which will continue to offer cards redeemable only for decks of playing cards. It is believed Imperial will offer no cards in any of its products. In fact within the past two weeks many brands which formerly carried cards have omitted them for the first time in years. Existing premium depots which have been doing a land office business in recent weeks will be definitely closed by June it is expected.

Mining Dividends

	Rate	Close Dec. 28	Yield %
Anglo-Huronian	20c	4.40	..
Buff. Ankerite	20c	3.99	5
Bulolo Gold	2.60	35.00	7.4
Cariboo	10c	1.15	8.7
Coniagas†	12½c	2.86	..
Cons. Smelters	$1.25+$4	205.00	..
Dome Mines	$2+$2	42.50	9.4*
Falconbridge	30c	7.00	4.3
Hollinger	65c+25c	13.80	6.5*
Howey Gold	5c	.65½	..
Hudson Bay	$1	20.87	4.8
Int. Coal & Coke‡	1c	.15	..
Inter. Mining	60+5	13.35	4.9*
Int. Nickel, c.	$1	45.00	2.2
Kirk. Lake‡	3c	.48½	..
Lake Shore	$2+$2	51.75	7.7*
Macassa	15c	3.35	4.5
McIntyre	$2	40.00	5.0
McKinley Sec.	5c	.55	..
McWatters Gold†	5c	1.59	..
Nipissing	25c	2.75	..
Noranda	$2	44.50	4.5
Nor. Canada†	2c	.24	..
Premier	12c+1c	1.81	7.1*
Pioneer, B.C.	80c	9.50	8.4
Reno	12c+2c	.99	14.2*
San Antonio	21c	3.05	6.8
Siscoe	20c+3c	2.91	8*
So. Amer. Gold	30c	5.00	6
Sunshine	50c	20.25	..
Sylvanite	20c	2.51	8
Teck-Hughes	40c	4.97	8
Toburn	8c	1.30	6.2
Wright-Har.	40c+20c	7.70	7.8*
Ymir Yankee†	2c	.48	..

‡Interim. †Initial. *Yield includes bonus.

Listed Bonds

Week Ending Dec. 28, 1935

	Int. rate	Due	High	Low	Range 1935 High	Range 1935 Low
Mtl. L. H. & P. Debs.	3	'39	50	..	50½	46
McNish	6	'48	3.50	..	4.00	3.25
Unlisted:						
Cons. Paper	5½	'61	27½	..	27½	13
Duke-Price Pr.	6	'66	104½	..	104½	98½
Maclaren-Que.	5½	'64	76½	..	76½	..

Public Utility Earnings

Barcelona Traction

Nov.:	1935 Pesetas	1934 Pesetas	Increase Pesetas
Gross earn.	11,110,505	10,556,804	553,701
Oper. exp.	3,748,868	3,727,897	20,971
Net earn.	7,361,637	6,828,907	532,730
Aggre. gross fr. Jan. 1	110,962,172	106,238,531	4,723,641
Aggre. net fr. Jan. 1	70,780,900	68,134,821	2,646,079

Dividends Declared

	This payment	Date payable	Date of record
Brewing Corp., pfd.	37½c	Jan. 15	Dec. 31
B. C. Elec. Rly. pfd.	2½%	Jan. 15	Jan. 5
Brant. Cord. pf.	50c	Jan. 15	Dec. 20
Bell Telephone	$1.50	Jan. 15	Dec. 23
B. C. Power, A	37c	Jan. 15	Dec. 31
Bruck S. Mills	30c	Jan. 15	Dec. 16
Can. North. Pr.	30c	Jan. 25	Dec. 31
Do., pref.	$1.75	Jan. 15	Dec. 31
Can. Bronze	15c	Feb. 1	Jan. 20
Do., bonus	50c	Feb. 1	Jan. 20
Do., pref.	$1.75	Feb. 1	Jan. 20
Can. Gen. Inv.	10c	Jan. 15	Dec. 31
Can. L. & Pr.	50c	Jan. 15	Dec. 31
Coniagas Mines‡	12½c	Jan. 10	Dec. 31
Can. Indus. A & B	$1	Jan. 31	Dec. 31
Do., pref.	$1.75	Jan. 15	Dec. 31
Can. South. Ry.	$1.50	Feb. 1	Dec. 27
Can. Light & Pr.	50c	Jan. 15	Dec. 31
Can. Fairbanks, pf.	$1.50	Jan. 15	Dec. 31
Can. Dredge, c.	$1	Feb. 1	Jan. 15
Do., bonus	$1	Feb. 1	Jan. 16
Dom. Textile pref.	$1.75	Jan. 15	Dec. 31
Dome Mines	50c	Jan. 20	Dec. 31
Do.	50c	Apr. 20	Mar. 31
Gt. Lakes Pwr., pf.	$1.75	Jan. 15	......
Gurd, Chas., pf.	$1.75	Feb. 15	Feb. 1
Hightower Oil	5c	Jan. 2	Dec. 24
Do., pref.	5c	Jan. 2	Dec. 24
Imperial Bank	$2.50	Feb. 1	Dec. 31
Inter. Bronze	25c	Jan. 15	Dec. 31
Do., pref.	37½c	Jan. 15	Dec. 31
Inter. Milling, pf.	$1.25	Jan. 15	Jan. 4
Int. Nickel, pf.	$1.75	Feb. 1	Jan. 2
Invest. Found. pf.	38c	Jan. 15	Dec. 31
Do., on arrears	12c	Jan. 15	Dec. 31
Little L. Lac Gold	10c	Jan. 20	Dec. 19
McColl-Fron. pf.	$1.50	Jan. 15	Dec. 31
Mtl. L. H. & Pr.	38c	Jan. 31	Dec. 31
Mtl. Telegraph	80c	Jan. 15	Dec. 31
Montreal Trams.	$2.25	Jan. 15	Jan. 6
Nipissing Mines	25c	Jan. 20	Dec. 31
Nat. Biscuit	40c	Jan. 15	Dec. 13
Penmans	75c	Feb. 15	Feb. 5
Do., pref.	$1.50	Feb. 1	Jan. 21
Premier Gold	3c	Jan. 15	Dec. 16
Do., extra	1c	Jan. 15	Dec. 16
Power Corp., pf.	$1.50	Jan. 15	Dec. 31
Do., 2nd pref.	$1.75	Jan. 15	Dec. 31
Russell Motor pf.	$1.75	Feb. 1	Dec. 31
Do., on arrears	$1	Feb. 1	Dec. 31
South. Can. Pr. pf.	$1.50	Jan. 15	Dec. 20
Steel of Can.	43¾c	Feb. 1	Jan. 7
Do., extra	$1.42½	Feb. 1	Jan. 7
Do., pref.	43¾c	Feb. 1	Jan.
South. Can. Pr., c.	20c	Feb. 15	Ja[illegible]
Shawinigan	15c	Feb. 15	Ja[illegible]
Tor. Elevators, pf.	$1.75	Jan. 15	Ja[illegible]
Tuckett Tob., pfd.	$1.75	Jan. 15	De[illegible]
Un. Bond & Sh.	10c	Jan. 15	De[illegible]
Un. Gold Equit.	2½%	Jan. 15	Ja[illegible]
Unit. Securities	50c	Jan. 15	De[illegible]
West. Grocers	50c	Jan. 15	De[illegible]
Do., pref.	$1.75	Jan. 15	D[illegible]
Ymir Yankee†	2c	Feb. 1	D[illegible]

‡Interim. †Initial.

Grenfell Cloth

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Already made famous by well-known explorers, GRENFELL CLOTH is now finding great favor with active sportsmen . . . . especially when it is obtainable in such smart ski suits as featured at SIMPSON'S.

Light . . . . strong . . . . windproof. As sketched, Norwegian-style kittle which may be done up right to the neck. Slacks have slide-fastener front. Air Force blue shade. Each 12.50, suit $25.

The Store for Men — Street Floor

Simpson's

One of the largest industries in Canada is that of

MASSEY-HARRIS COMPANY, LIMITED

on which an analysis has been prepared for us with special reference to the Preferred Stock. Copy will be sent upon request.

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New Trouble Is Feared In Furniture Industry

Manufacturers Here Perturbed Over Competition from U. S. Trade

By L. J. SALTER

At first glance there appears little connection between the cotton industry of the southern United States and the furniture manufacturers of western Ontario. Yet the trend of events in the south's cotton industry is indirectly responsible for much of the trouble existing in the Canadian furniture situation.

To find the reason, it is necessary to recall that cotton manufacturing has expanded rapidly since its establishment in the New England states generations ago.

At one time it was largely concentrated in the district of its birth, and the raw material was transported from the southern fields. During the past twenty years, however, the tendency has been to get closer to the raw material.

The industrial development in the southern states has been phenomenal. With it gradually came a shortage of female help, with little employment for men. The pioneer industries that moved south used, for the most part, female labor.

Cheap Help in South

As the industrial communities expanded they naturally sought factories that would use principally male workers; and the furniture industry seemed to answer their requirements. Gradually furniture manufacturers were attracted to this district, frequently with an assurance of tax exemption, bonuses and local capital.

The new industry developed rapidly, making serious inroads into the business of the northern furniture centres throughout Michigan, Indiana and New York. Gradually it extended into Canada, hurdling tariff walls and laying down furniture in larger Canadian cities at a price with which Canadian manufacturers could not compete.

New Duties Checked Imports

In 1925 $1,291,000 of imported furniture entered Canada. The volume increased annually until 1929 when a peak of $4,136,000 was reached. Then the new duties went into force and the movement was effectively checked. For the years 1932-3-4 imports shrank to little more than $400,000 annually.

After 1929 there was a drastic curtailment of business generally, particularly in so far as the furniture industry was concerned. The purchase of furniture could be, and was, postponed until conditions might improve.

Output Declines

Total output of Canadian furniture factories shrank from $44 millions in 1929 to $15 millions in 1933. Short hours and low wages prevailed throughout the industry and the mortality among furniture companies was unusually heavy.

Fortunately, however, the flood of furniture from the south had been checked; and while conditions for the workers had been bad they would have been infinitely worse had the growing volume of imports been maintained.

Of late, business generally has shown some improvement and in co-operation with the Ontario government furniture manufacturers and workers have gotten together on a code that promises some measure of stabilization and uniformly fair wages for men.

Reduced Tariff

The announcement has been made, however, that duties are reduced, not only to the 1929 level but ten per cent under that figure. Has the protection given during the past five years been too liberal or is the new figure inadequate?

If uncontrolled imports are resumed, what will happen to the code?

Workers' Interests

For years Canadian manufacturers had had moderate protection against the furniture factories of Grand Rapids, and other northern centres, but this is now cut by 18 per cent.

Importations had been nominal, indicating that the protection had been sufficient. Why then had the subsequent competition from the southern states proved so formidable?

First, there is the question of plant. Spared the rigorous winters of Ontario and Quebec, the southern manufacturer constructs a much cheaper building. Nor does he have the expensive heating problem that confronts the latter. His woodworking equipment is 25 per cent cheaper in the United States than in Canada. Consequently his whole fixed investment is less.

He is close to his raw materials—walnut, oak and gum—while none of these woods is available in commercial quantities in Canada. The same is true of veneers, largely purchased in southern centres, with a duty to the Canadian purchaser of 20 per cent.

Finishing Materials

Finishing materials, varnishes, lacquers, etc., are purchased at a price substantially lower than that prevailing in Canada and this is true as well of his sundry hardware and furniture trim.

To the Canadian manufacturer, the higher cost of materials alone figures out at from 10 to 12 per cent of his total production.

These are some of the primary advantages the southerner enjoys, but it is with his actual manufacturing and distributing that the Canadian finds it difficult to compete.

In shipping to Canada the southern manufacturer concentrates largely on our bigger cities; he is not particularly interested in our widely scattered market from coast to coast with its long freight hauls, and its high selling costs.

The Canadian manufacturer must obtain national distribution.

Large N. Y. Market

No such problem confronts the southern operator. In New York city alone he has a concentrated market equal to that of all Canada; while with a total market at least twelve times as large as that of Canada he can specialize on a much smaller line; and volume production on a comparatively few lines spells important manufacturing economies.

Designs in furniture change rapidly just as they do in women's apparel, and a suite offered in January is replaced before the end of the year, due to the constant urge for something new.

1,200 Branches Here

There are in Canada over 1,200 branch plants of various foreign companies, of which 250 have come in during the last five years.

American furniture factories in that period have lost much of the market here since 1929, and, with due allowance for the shrinkage in total volume, the loss is nearly $10 millions.

It is, however, significant that these companies preferred to relinquish this business rather than attempt to manufacture in Canada as so many in other lines of industry have done.

As a matter of fact, the situation that has developed in the industry in the United States is a most unhealthy one, as is indicated by the returns of a large group of American furniture companies. Their operations during the past ten years have resulted in a net loss of $1.63 for every $100 of furniture sold.

Duties Below 1929 Level

The duties have now been reduced below the 1929 level, and Canadian manufacturers and workers must now presumably grapple with the problem of renewed imports from a disorganized and unprofitable industry to the south, which even in its present extremity has natural advantages that the Canadian manufacturer does not enjoy.

Within a few days of the announcement of the new duties, representatives of at least four southern companies were soliciting business in Toronto. One, in his haste to get here, flew from Virginia to Buffalo.

The following shows the total production and total wages paid by Canadian manufacturers since 1927. The second table shows total imports.

Wages and Production
(From figures supplied by the Dominion Bureau of Statistics, to the nearest million).

Year	Production	Total Wages
1927	$35,000,000	$12,000,000
1928	41,000,000	13,000,000
1929	44,000,000	14,000,000
1930	36,000,000	12,000,000
1931	27,000,000	10,000,000
1932	18,000,000	7,000,000
1933	15,000,000	6,000,000
1934	Not available	Not available

Canadian Imports

1925	$1,291,000
1926	1,821,705
1927	2,149,000
1928	2,935,000
1929	4,136,000
1930	2,967,000
1931	1,356,000
1932	417,000
1933	414,000
1934	475,000

Foreign Furniture

Focal point of serious labor disturbances in the past, western Ontario's furniture industry may soon face a recurrence of critical conditions arising from competition of southern U.S. manufacturers.

Canadian producers point significantly to the fact that former tariff protection did not attract U.S. manufacturers to Canada, as in the case of other industries, and with the recently lowered duties on imported furniture an influx of cheaply produced American furniture is forecast.

The result may prove serious—to what extent is still unknown. In the accompanying article, Mr. Salter, who is a business and industrial consultant in Toronto, surveys the situation for readers of The Financial Post.

Bank Official Retires

R. A. RUMSEY

Assistant general manager of the Canadian Bank of Commerce, who is retiring on pension at the end of 1935. Mr. Rumsey joined the bank in 1894, and advanced through positions in Canada and abroad to his present office in 1925.

MOTOR CAR SALES TOP $6 MILLIONS FOR NOVEMBER

Early Showing of 1936 Models Proves Success

Canada's automobile merchandisers sold over $6 millions of motor vehicles in November according to official figures prepared by the Dominion Bureau of Statistics. This was a 46 per cent gain over the corresponding figure of October and was 3½ times the corresponding figure of 1934. Number of units sold was 5,985 of which 5,180 were passenger cars, the remainder trucks and commercial chassis.

Aided by this early introduction of new models, the motor makers have now boosted total sales for the first 11 months to almost $95 millions—an increase of one-third over the same figure a year ago.

Analysis of individual car sales in Eastern Canada shows Ford leading by a substantial margin. Sales of leading makes in this area follow:

Passenger Cars
(Eastern Canada Sales)

	November 1935	November 1934	11 Months 1935	11 Months 1934
Ford	848	314	16,660	10,999
Chevrolet	490	342	12,354	12,380
Dodge	379	113	6,019	4,869
Pontiac	165	85	3,783	1,892
Plymouth	351	125	6,319	5,036
Oldsmobile	290	65	4,457	2,369
McL. Buick	217	68	1,217	1,915
Terraplane	88	45	1,693	1,518
Packard	53	..	617	112
Hudson	34	17	747	868
Commercial Cars				
Ford	157	94	4,376	1,740
Chev.	106	192	3,567	2,115
Inter.	57	87	1,301	510
Dodge	51	59	1,054	542
G. M. C.	26	44	697	324

Pacific Coast Terminals Co. Formed to Complete Sale

Pacific Coast Terminals Co. Ltd., has been incorporated under the British Columbia Companies Act as at Dec. 12, 1935. The authorized capital is 60,000 common shares of $10 each.

The company was formed by Consolidated Mining & Smelting Co. of Canada to acquire, as a going concern, the business and assets of Pacific Coast Terminals Ltd. The assets have been sold to the new firm in order to give bondholders of the former company a small cash payment, and 18 shares of common stock in the new company for each former $1,000 bond.

Footnotes to Ottawa

Immigration Bars

Restriction of Incoming Movement to Continue —All Time Low in 1935 — Arrivals from U. S. Exceed Those from U. K.

From Our Own Correspondent

[illegible]AWA.—Proposals in the U.K. to [illegible]vive Empire settlement will me[illegible] with no encouragement from the [illegible]ominion government at this tim[illegible]t is learned authoritatively.

[illegible] one minor exception the restri[illegible]ns on immigration applied by the [illegible]nnett government in 1930-31 stil[illegible]nd and immigration figures ind[illegible] they continue to be highly eff[illegible]e.

In [illegible] six months ended Sept. 30, last [illegible]al immigration was 6,579, aga[illegible] 7,472 in 1934. This indicates that [illegible] total inflow of population this [illegible]l year will establish an all-time [illegible], probably less than 12,000 pers[illegible] Of the 6,579 new Canadians, 943 a[illegible] farmers and the balance are labor[illegible] mechanics, traders and wive[illegible] dependents of persons already [illegible]miciled in Canada.

Ont[illegible] received 2,690 of the total; Queb[illegible] 343 and British Columbia, 778. T[illegible] former flow of settlers into the P[illegible] Provinces has definitely ceased [illegible] the total, 3,049 are from the U.[illegible]nd 1,378 from the United Kingd[illegible]

The [illegible] point at which the bars have b[illegible] slightly lowered concerns familie[illegible] from Europe who are in a positio[illegible] guarantee that they will be self [illegible]aining. In recent years the tw[illegible] railway companies have been p[illegible]tted to bring 50 such families [illegible]h, or 100 in a[illegible]. The quota is now to be doubled under government guarantee in the past five years.

* * *

No Cash Wheat Payment

Reports that the Dominion government contemplated a cash payment to the western wheat pools on account of wheat taken over by the wheat board are denied by members of the cabinet.

At the moment, it is understood, the policy is to sell the wheat and settle with the pools on the basis of profit realized. If there is no profit there will be no payment. In addition, a thorough investigation is being made into the handling of wheat

The Cotton Tariff

Tariff Board hearings of the British application, under the Anglo-Canadian trade agreement, for lower tariff on cottons and artificial silks have been concluded and the task of comparing costs taken in hand.

In contrast with the woollen case, the present enquiry was run-off without a hitch and with scarcely a suggestion of discord between the British and Canadian manufacturers.

The difference, in large part, is due to the fact that both sides agreed to leave to the board the job of testing and comparing costs of production. The rival groups submitted samples to the board and concurred in the matching of them, and having agreed upon comparable samples, each group put in its cost figures with the board.

It is now up to the board to decide the basis of cost comparison and having done so to report to the minister of finance

It is expected that the report will be made in plenty of time to permit changes in tariff in the next budget.

Public Utility Earnings

Canada Northern Power

	1935 $	1934 $
November:		
Gross revenue	384,721	371,827
Operating expenses	145,514	133,646
Net revenue	239,207	238,181
11 Mos. to November:		
Gross revenue	4,036,625	3,791,463
Operating expenses	1,509,432	1,313,134
Net revenue	2,527,193	2,478,329

East Kootenay Power

	1935 $	1934 $
November:		
Gross revenue	39,543	36,466
Operating expenses	12,860	11,965
Net revenue	26,683	23,501
8 Mos. to November:		
Gross revenue	98,589	278,013
Operating expenses	91,956	91,041
Net revenue	206,633	186,972

Will Spend Millions On Water Power Work

Nearly Twenty Developments Now Under Consideration for 1936 — Mining Industry's Demands Grow — Capacity and Consumption Gain in 1935

From Our Own Correspondent

MONTREAL.—Though only two major hydro electric projects are under consideration for 1936, the hydro electric power industry will spend several millions of dollars during the course of the next twelve months. A survey prepared by the Dominion Water Power and Hydrometric shows that with the exception of Alberta and Saskatchewan, water power development work of one kind and another will be carried out in all provinces, with probably the greatest activity in British Columbia and Quebec.

A feature of this survey by the bureau is the amount of water power work which is being carried on to meet the growing demands of the mining industry. The greater part of the capital expended by the hydro power industry in British Columbia last year and that contemplated for 1936, for example, is a direct reflection of the activity in mining operations. During the coming year it is expected that there will be seven projects under way, of which five are associated with mining operations.

Particulars of the new water power projects for the next twelve months are set forth by provinces hereunder:

BRITISH COLUMBIA

Bullion Placers Ltd.—This company has under contemplation the construction of a hydro pumping plant to use the waters of the south fork of the Quesnel River.

Quesnel Light & Power Co.—Has commenced work on a 200 h.p. hydro-electric plant on the Baker Creek near Quesnel to serve the requirements of the town and district.

British Columbia Nickel Mines Ltd.—May add another 2,000 h.p. to its plant during 1936 by developing Emory Creek.

Bayonne Consolidated Mines Ltd.—Is giving consideration to the construction of a power project of 375 h.p. on Summit Creek near Tye, B.C.

Cariboo Hydro-Electric Power Co.—Has carried out surveys in connection with a proposed development on the Swamp River to serve the mining area adjacent to Barkerville, B.C.

City of Nelson—Expects to start preliminary work relative to the installation of an additional unit in the Bonnington plant.

City of Revelstoke—Is carrying out considerable reconstruction to its hydro-electric plant on the Illecillewaet River, involving the rebuilding of some of the wood stave penstocks and the installation of a suitable stand pipe.

ALBERTA

No major work is contemplated.

SASKATCHEWAN

No major work is contemplated.

MANITOBA

Mining Corp. of Canada—Will investigate possibilities of development of hydro-electric energy in Herb Lake district.

City of Winnipeg—Is considering installation of a third unit at its Slave Falls development on the Winnipeg River.

ONTARIO

Hydro-Electric Power Commission—Is installing a second unit of 1,650 h.p. at Rat Rapids plant.

Hydro-Electric Power Commission—Considering addition of 5,000 h.p. unit at the Ear Falls plants on the English River for the supply of mines in the Red Lake district.

QUEBEC

Maclaren-Quebec Power Co.—Is adding a fourth unit of 30,000 h.p. at the High Falls plant to be completed next February.

Noranda Power Co.—Has in view construction of a 20,000 h.p. hydro-electric plant in Landanet Twp.

Central Quebec Light & Power Co.—Considering 10,000 h.p. plant at Ulverton Rapids on the St. Francois River.

Village of St. Urbain—Has in view construction of a $20,000 power plant in Charlevoix County.

NEW BRUNSWICK

N. B. Electric Power Commission—Has under way 6,250 kw. addition to its fuel station at Newcastle Creek.

N. B. Electric Power Commission—Has under way construction of a 47-mile line from Newcastle along the southwest Miramichi.

NOVA SCOTIA

N. S. Power Commission—Has under way installation of a 4,300 h.p. unit at its Ruth Falls station.

Annapolis Power and Paper Co.—Has done preliminary work on proposed 3,000 h.p. development on Paradise Brook in Annapolis County.

1935 Progress

New installations aggregating 362,080 h.p. were completed and made ready for operation during 1934, thereby bringing the total for the Dominion at the end of the year to 7,909,115 h.p.

While the increase in generating capacity is noteworthy, of great significance, it is claimed, is the continued growth in power demand that has taken place in 1935. This is reflected by the monthly records compiled by the Dominion Bureau of Statistics which shows substantial increase in the output of central electric stations month by month over the figures for the corresponding month of 1934.

Up 11 Per Cent

For the first nine months of 1935, there was a total increase of more than 11 per cent. This increase in power output was not confined to any one part of the Dominion but was evidenced from coast to coast.

New installations in 1935, comprised chiefly, additions to existing development such as Canyon plant of the Ontario Government on the Abitibi River and the Beauharnois plant of the Beauharnois Light, Heat and Power Co. on the St. Lawrence. Increased activity in the mining industry was responsible for new installations in the Yukon territory and in British Columbia, Manitoba and Ontario.

Two new power installations were reported in British Columbia during the year, both in connection with the mining industry. The net increase in installed capacity was 780 h.p.

No new power developments were undertaken in Alberta or Saskatchewan during the year, but in Manitoba, God's Lake Gold Mining Co. completed and placed in operation a hydro-electric plant of 1,900 h.p. capacity at Kanuchuan Rapids on Island Lake River.

Develop Abitibi Canyon

In Ontario, the Hydro-Electric Power Commission undertook the installation of three additional 66,000 h.p. units in the Government's plant at Abitibi Canyon. Another installation made by the Commission during the year was one of 1,200 h.p. at Rat Rapids on the Albany River. The town of Orillia completed and brought into operation a new plant at Workman's Falls on the Gull River near Minden. Installation consists of two 2,600 h.p. turbines.

The additional hydro-electric capacity installed at Quebec during the year was 100,000 h.p. being confined to the fulfilling of programmes of extension at Beauharnois on the St. Lawrence and High Falls on Lievre River.

The actual figure to be added to Quebec's total at the end of 1935 is 150,000 h.p., as a 50,000 h.p. unit at Beauharnois, completed in December, 1934, is not included in the total for 1934 in last year's review.

No new hydro-electric installations were undertaken in New Brunswick or Nova Scotia during the current year.

Obituary

R. W. Breadner, former commissioner of customs for Canada, and whose period of service in the customers department reached half a century, is dead in Florida.

T. Harry Carling, former head of the Carling Brewing Co. of London, and son of the late Sir John Carling, died in London.

George F. Chipman, managing director of the Country Guide, and prominent western Canadian editor, was accidentally killed on his farm at Charleswood, Man. He was 54.

John Richard Edwards, superintendent of the American Can Co., Ltd., and a resident of Vancouver for the last 47 years, is dead. He was 59.

Wilfred E. Corlet, secretary-treasurer of Burns and Co. Ltd., and former secretary to Senator Patrick Burns, died in hospital at Calgary, following a stroke. He was in his 48th year.

C. A. Nourse, former supervisor of the Montreal Branch Accounting Department of the Sun Life Assurance Co., is dead in Montreal.

Charles K. Rogers, formerly well known in Toronto mercantile circles, died in Toronto in his 77th year. He was prominent in the fur business.

Reginald R. Symes, one of the most widely known members of the Winnipeg Grain Exchange, died at his home in Winnipeg. He commenced his business career with the Dominion Bank, and was associated with N. M. Paterson and Co. Ltd. at his death. He was 44.

Alfred Wood, president of the Sherbrooke Daily Record, is dead at the age of 66, in Montreal.

KIMBERLY-CLARK PAYING $75,000 IN ONE SALARY

Spruce Falls President, F. J. Sensenbrenner, Gets Large Annual Stipend

F. J. Sensenbrenner, president, Spruce Falls Power & Paper Co., received an aggregate remuneration in the last fiscal year of $75,735 as president of the Kimberly-Clark Corp. of Wisconsin.

Ernest Mahler, secretary of Spruce Falls Power & Paper Co., received $72,292 as vice-president of Kimberly-Clark.

$50,000 For Management

Other salaries reported by Kimberly-Clark to the Securities & Exchange Commission at Washington have no Canadian significance.

The company reported, however, that of the salaries paid to some of the officers and directors, $67,500 a year is charged to the former Kotex Co., and $50,000 a year to the Spruce Falls Power and Paper Co. for management services.

$10 Millions in Bonds

The public is mainly interested in the affairs of Spruce Falls Power and Paper Co. because of ownership of $10 millions of 5½ per cent first mortgage bonds due serially to April 1, 1943. Of the $8.9 millions of 7 per cent cumulative first preferred stock, $2.5 millions are held by Kimberly-Clark Corp. and $6.4 millions by the New York Times Co.

Of $5 millions of 7 per cent second preferred, the whole amount is held by Kimberly-Clark Corp.

Kimberly-Clark Corp. also holds 102,000 shares of common stock, the remaining 98,000 shares of common stock being held by the New York Times Co.

Social Credit League Incorporated in B. C.

Social Credit League of British Columbia has been incorporated in that province under the Societies Act.

The objects of the society are stated to be promotion of social credit instruction of members in "the fundamentals and principles of social credit" and to disseminate "knowledge of social credit in all its aspects," throughout the province.

New Year
. . . New Will

When a year brings about as many changes in outlook as 1935 has done, it deserves one immediate concession to the times:

Read over your will to see if it still expresses your wishes and best judgment. If not, let your notary or lawyer make the necessary revisions to bring it up-to-date. We shall be glad to discuss with you our services as executor and trustee.

Crown Trust Company
EXECUTORS TRUSTEES — FINANCIAL AGENTS
393 St. James Street West - Montreal

AUSTRALIA and NEW ZEALAND.
BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)
(With which are amalgamated the Western Australian Bank & The Australian Bank of Commerce Ltd.)

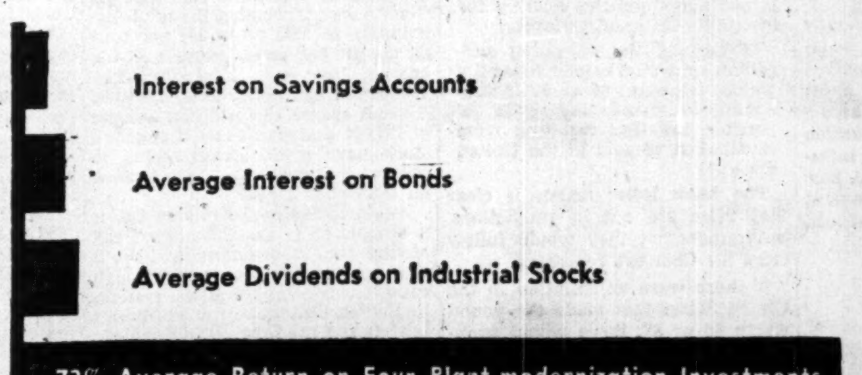
Paid-up Capital	£ 8,780,000
Reserve Fund	6,150,000
Reserve Liability of Proprietors	8,780,000
	£ 23,710,000
Aggregate Assets 30th Sept., 1934	£116,995,000

A. C. DAVIDSON, General Manager.
723 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua, Mandated Territory of New Guinea, and London. The Bank transacts every description of Australasian Banking Business. Wool and other Produce Credits arranged.
Head Office: GEORGE STREET, SYDNEY. London Office: 29, THREADNEEDLE STREET, E.C. 2.
Agents: Bank of Montreal; Royal Bank of Canada; Imperial Bank of Canada; Canadian Bank of Commerce.

COTTON FABRICS AND YARNS

DOMINION TEXTILE COMPANY LIMITED
MONTREAL TORONTO HAMILTON WINNIPEG VANCOUVER

Compare these Annual Returns



73% PROFIT
Through Electrical Modernization

Reasons for Increased Earnings. Because industrial progress has resulted largely from remarkable improvements in equipment, methods and design, it seems logical to seek increased earnings in the future, as in the past, from new, improved machinery and methods to meet changing conditions.

Obsolete equipment and methods must be replaced. Different processes—frequently, different materials—will be adopted in the future.

These facts indicate that manufacturers, in seeking reduced costs and increased returns, will do well to be certain that their designs, methods and equipment represent the latest accepted practices.

The Right Kind of Electrical Modernization. Modernization is not necessarily an "open sesame" to increased prosperity and increased profits, but widespread experience in all types of industry indicates that the right kind of electrical modernization reduces costs and increases profits.

Continuity of Benefits. Canadian General Electric has assisted purchasers to obtain satisfactory and profitable results from their investments in electric equipment. Dependability is difficult to include in specifications, but easy to get if you insist on General Electric equipment.

* * *

Canadian General Electric has on file many records which show the profit to customers that results from capital investment in the right kind of modern electric equipment. Here are four examples, taken from widely diverse industries, well separated geographically, which show how $11,637 is now saved each year by modernization investments totalling $15,861—a 73-per-cent. return:

1. An Ontario manufacturer invested $2,200, and gained an annual return of 68 per cent.
2. A Quebec metal-working plant, by investing $3,100 in a motor drive, saves $3,273 annually—106 per cent. return.
3. A British Columbia plant invested $1,800, and receives 233 per cent. return each year.
4. A New Brunswick textile mill invested $8,761 and realized a saving of $2,664 annually—a 30 per cent. return.

C-G-E sales engineers will gladly assist in solving your electrical modernization problems.

CGE-16

CANADIAN GENERAL ELECTRIC COMPANY LIMITED

Investment Trends —

Greater Activity In Stocks

* * * *

Wheat Exports Favorable

* * * *

Incomes, Loans, Building

After making the peaks for 1935 late in the year, share prices have risen slightly from the lowest levels reached since then.

Market averages are considered likely to touch lower levels in 1936 than those now prevailing, but should ultimately exceed 1935 highs if, as expected, there is some extension of recovery. Liquidation of stocks has dried up, indicative of the smallness of floating supplies.

Increased wheat exports promise to benefit Canada in the first half of the new year. The premium on U. S. dollars, although small, is a welcome bonus to newsprint exporters. Funds available for re-investment in January are the largest in several years.

Flow of European money to the United States for investment has been more important than war scares in causing the inflow of gold to the United States, according to the Federal Reserve Board. There is a gradual flow of American money into Canada. If there are fewer repudiatory threats in Canada in 1936, the inflow of U. S. money should increase.

Activity Expected

INCREASED activity in stock exchange dealings is expected in January. Whether it will be accompanied by rising or falling prices is a question no one can answer with certainty. Toronto Stock Exchange and Montreal Stock Exchange averages tabulated on this page showed only minor changes in the closing days of 1935. In New York, the Dow-Jones industrial average has risen above 140, the rail average remaining close to 40.

Conditions peculiarly favorable to Canada may prevent share prices here following movements in New York as closely as usual; the export movement of wheat is an example of such conditions. Expectations of pre-election disturbance in the U. S. A., and the absence of similar irritation in Canada, may also allow greater variance of stock prices in Canada and New York than usual. The influence is for greater relative strength in Canada.

Under the Dow theory, by which it attempted to forecast share price movements in New York, a rise of the industrial average to about 149.5, accompanied by a rise of the rail average above 42.5 would presage a further advance of Wall Street stock prices. Even such a rise, however, would still leave room for a considerable decline of prices, as a "correction" of the advance that has been almost uninterrupted for nine months.

An important contribution to support for securities in January will come from the increased interest and dividend payments available for investment.

* * *

Wheat Securities

BECAUSE of the increase in sales of Canadian wheat abroad, and because there are prospects of continued high exports, securities peculiarly susceptible to the influence of wheat are worth investigation. One stock broker, with an eye on non-dividend payers, lists these:

Company	Security	Price
Alberta Pac. Grain	7% Pref.	28
Can. Steamship	6% bonds	42
Can. Steamship	6% Pref.	7¼
C. P. R.	ordinary	11
Cockshutt Plow	common	7¼
Lake of Woods Milling	common	16
Massey-Harris	5% Pref.	33
N. Bawlf Grain	6¼ Pref.	24
Reliance Grain	common	6
W. Canada Flour	6¼% Pref.	55

While there may be direct benefits for most of these companies—and for some of them to a much greater extent than for others—improvement in the wheat situation should have a much wider influence on Canadian securities. A host of firms depending to a large extent on western Canadian markets should benefit.

* * *

Lumber Exports

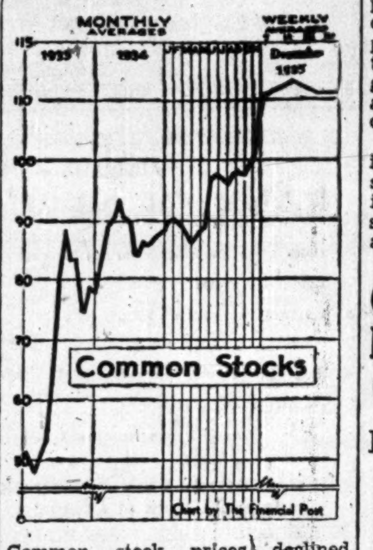
ANOTHER important point of improvement may come in lumber exports. Up to Nov. 30, plank and board exports were 2,265 million board feet, against 1,269 million in the first 11 months of 1934.

This increase is deceiving, however, because exports have dropped sadly in recent months. Shipments should be stimulated by commencement of business under the new trade agreement with Uncle Sam. This is just another place for improvement in a basic industry.

* * *

Rising Income

RISING dollar value of exports means a much larger national income in Canada, according to the Bank of Nova Scotia Monthly Review for December. Since exports continue to gain, the obvious conclusion is that better times for individual and corporate income are coming. This is the basic factor that is expected to raise share prices in the New Year. Higher income



Common stock prices declined slightly in the week ended Dec. 24, as shown in the graph of the Dominion Bureau index. Subsequently the recession was halted. Indices appear on this page.

taxation is coming and will skim some cream off any increase in earnings of individuals and corporations. It is unlikely, however, that taxation will rise enough to absorb more than a part of the possible gains.

* * *

Wild-eyed Boom

In its January monthly letter, The Royal Bank of Canada comments on "The Monetary Revolution" by Sir Charles Morgan-Webb. On the basis of his reasoning, the bank letter states:

"It would seem that stability of sterling with gold and gold currencies must be understood to be postponed until that indefinite time in the future when other countries elect to follow a similar formula. Moreover, it is inherent in this formula that even if stability were finally achieved on a gold basis, British countries could assume no undertaking to remain on the gold basis if those countries which are sufficiently important financially to influence the value of gold should in the future adopt policies making for instability of the price level.

"Following the reasoning suggested, we would expect to see the pound valued at $6 or $7 if necessary to avoid the evils of possible inflation resulting from revaluation of gold in the United States."

The bank letter makes it clear that these are not its predictions, but rather that they would follow from Sir Charles's reasoning.

If there were an inflation in the United States that made the pound worth $6 or $7, there would probably be a similar infection in Canada. It would mean much higher export prices here and a wild-eyed boom of business and of stock prices; followed by the inevitable collapse.

* * *

Cheaper Stock Loans

THE Montreal Stock Exchange has announced that the minimum rate to be charged to clients of its members is 5¾ per cent from Jan. 1. Five years ago, the rate was seven per cent. Obviously, it is profitable to borrow at 5¾ per cent to hold securities yielding, say, 6½ per cent.

Formerly, it was unprofitable to carry seven per cent stocks by means of loans. This gradual reduction of loan rates acts as a stimulant toward higher prices for stocks as well as bonds. It has some distance to go, however, to match reductions in yields on securities.

Government, Municipal, Public Utility and Industrial Bonds

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List of current offerings furnished on request

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119

CANADA WIRE SHAREHOLDERS APPROVE PLAN

Dividends Nearer With Write-down of Depreciable Assets

From Our Own Correspondent

MONTREAL. — Shareholders of Canada Wire and Cable Co. have approved a plan covering a reduction of the capital by reducing the amount of share capital represented by each outstanding Class A common share to $15 and by each outstanding Class B common share to $7.50.

The revision calls for writing down marketable securities from $729,541 to $376,123. The depreciated value of fixed assets will be reduced from nearly $4.4 millions to $2.7 millions. With these two major changes total assets of the company will be reduced from $7.3 millions to $5.2 millions.

Help Pay Dividends

These write-downs will show more accurately the present position of the company and will permit an early resumption of dividends. The write-down of the value of the depreciable assets will have the effect of permitting small amounts to be provided each year out of earnings to cover depreciation, thus leaving a greater proportion of earnings available for distribution by way of dividends.

The approved plan does not result in any change in the number of shares of the capital stock outstanding, nor in the actual value of such shares, nor in the actual value of the assets of the company.

CANADIAN BRONZE DECLARES "EXTRA" ON COMMON STOCK

Bonus of 50 Cents a Share from "Liquidation of Inventories"

From Our Own Correspondent

MONTREAL.—In addition to the regular quarterly payment on the preferred and common shares, directors of Canadian Bronze Co. have declared a bonus of 50 cents a share on the common stock. The extra disbursement is described as due to "liquidation of inventories." It involves a distribution of an additional $40,000 to shareholders.

While there has been no official word of earnings during 1935, it is understood that the financial statement, which will make its appearance some time in the early part of February, would show earnings of between $1.25 and $1.35 a share on the common. This compares with $1.01 in 1934 and 68 cents a share in 1933.

Should Cover Charge

In view of the improved earnings, the company should be able to show a regular dividend and the extra of 50 cents covered by a fair margin.

The improvement in operations and earnings of Canadian Bronze reflects railway operations. The company holds contracts to supply bearings to meet all of the Canadian Pacific Railway's requirements, as well as a greater part of that for the Canadian National Railways.

Anglo-Canadian 'Phone Pays Extra on "A" Stock

From Our Own Correspondent

MONTREAL. — Anglo-Canadian Telephone Co. has declared an extra dividend of 5 cents a share on its Class A stock, bringing the total distribution in 1935 up to 5½ per cent on the $10 par value shares. At the end of last year Anglo-Canadian Telephone had outstanding 1,260,000 Class A shares. In addition holders of 135,000 shares of Class B common stock have made arrangements to convert this stock into Class A stock on December 2, 1935.

Anglo-Canadian Telephone Co. is a newcomer to the Canadian field, having been incorporated in 1934. It is a holding company and through subsidiaries owns telephone systems in British Columbia, the Philippine Islands and the Dominican Republic, all formerly owned by National Telephone and Telegraph Corp.

Montreal Stock Exchange Reduces Interest Rates

From Our Own Correspondent

MONTREAL.—Because of lower rates which are available to members, the Montreal Stock Exchange announces that the minimum interest rate chargeable to clients of member firms has been reduced to 5¾ per cent. This marks a cut of one-quarter of one per cent from the 6 per cent rate which became effective November 1 last. Prior to that date, a rate of 6½ per cent had prevailed.

The new rate is the lowest fixed by the Montreal Stock Exchange since November 3, 1909.

Maritime Tel. and Tel. Report Station Gain in '35

From Our Own Correspondent

MONTREAL. — Maritime Telegraph and Telephone Co. report a net loss of 51 stations during November, the total installed at the end of the month being 38,762 as against 38,813 at the close of October.

FOUR POWER UNITS STAND TO PROFIT IF HYDRO GAINS

Gatineau, Can. Hydro, Ottawa Valley, Calgary Power May Sell More

Probable earnings of Quebec Power companies under the announced revised contracts with Ontario Hydro-Electric Power Commission if these are finally accepted by the Ontario government, will permit full payment of interest on Gatineau Power first mortgage 5's and debenture 6's and on Maclaren-Quebec Power Co. first mortgage 5½'s.

R. A. Daly & Co., Toronto, investment firm, comes to these conclusions in the course of a five-page study of the situation. It estimates as well that Gatineau revenue will be $584,000 short of the $730,000 needed to pay the 6 per cent dividend of Canadian Hydro-Electric preferred. This takes into account a depreciation reserve by Gatineau on the 1934 basis of $643,747 but does not take into account the sinking fund provisions of Gatineau bonds and debentures. As soon as additional power is sold to Hydro the position of Canadian Hydro Electric preferred would be improved. Sale of 40,000 h.p. to Hydro would take care of the preferred dividend.

Maclaren Revenue Gains

Loss of Hydro contract will leave Beauharnois Light, Heat & Power Co. with revenues $502,500 lower than the total required to pay $2.2 millions interest on first mortgage 5½s. This computation does not take depreciation into account. Beauharnois Power debentures and the Beauharnois Power common stock are therefore in a still more uncertain position.

Only sale of a large amount of additional power will place them in a position by 1938 to continue holding their present control of Beauharnois Light, Heat & Power Co.

Revenue of Maclaren-Quebec Power Co. from the James Maclaren Co. is $900,000 at present, according to the Daly study. With $500,000 from Hydro and with operating expenses at $150,000 Maclaren-Quebec therefore has $1¼ millions available for $990,000 interest on first mortgage 5½s and for depreciation.

Hydro may take over Ottawa Valley Power on some basis, rental or purchase. If it contracts for power at $12.50 it would have to take 51,600 h.p. to enable Ottawa Valley to pay full interest on $9 millions of first mortgage 5½s and $150,000 expenses, without allowing anything for depreciation.

That would leave nothing for Calgary Power Co., which holds $1.5 millions of debentures and 50,000 no par value common shares. Calgary Power earns enough from other sources, however, to pay its bond interest and preferred dividends. It might possibly affect common dividends, however to some extent.

PRICES OF FORDS ON WEIGHT BASIS STEADILY REDUCED

Spectacular Progress of Industry Since 1927 is Demonstrated

Important advances made by the automobile industry in lowering sales prices of cars between 1927 and 1935 are graphically illustrated in the case of the Ford Motor Co. of Canada.

Wallace R. Campbell, president, states that in 1927 the Ford Model T automobile, tudor sedan type, sold at 32 cents per pound weight at factory, which meant a list price of $625.

The Model A in 1928 sold at 28 cents a pound and in 1931 at 25 cents a pound

The Ford V-8 was introduced in 1932 at $625 or 26 cents a pound for the tudor sedan.

In 1935 the V-8, stronger, larger and more powerful, sold at $665, or 24 cents a pound. During that period the car changed from a small four-cylinder engine developing 20 horsepower, to a V-8 type developing 90 horsepower.

Record Exports in 1935

Export by Ford Co. in 1935 of 48,000 units was a record, the best previous year being 1926, with 39,503 units. It sold in Canada 50 per cent more than the 19,189 units sold in 1934. It expects better things in 1936 and its modernization programme to prepare for it is costing $2.5 millions in Canada, $1.3 millions in Australia and $750,000 in New Zealand.

Power Corporation Group Reports Record Output

From Our Own Correspondent

MONTREAL. — Power companies associated with or controlled by Power Corp. of Canada report an all-time output in November, with production reaching 192.3 million kw.h. This compares with 169.7 million kw.h. for the same month a year ago, an increase of 13.3 per cent.

Southern Canada Power was the only company to report a decrease, while Manitoba Power shows the largest actual and percentage gain.

Foreign Exchange Markets

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Dec. 23	Dec. 24	Dec. 26	Dec. 27	Dec. 28
U. S. dollar, High	.5906	1.00[illegible]	1.00[illegible]	1.01[illegible]	1.00[illegible]	1.00[illegible]
Low	.5906	1.00[illegible]	1.00¾	1.00[illegible]	1.00[illegible]	1.00[illegible]
1934, High	.5906	0.99[illegible]	0.99[illegible]	0.99½	0.99½	0.99¾
Low	.5906	0.99[illegible]	0.99[illegible]	0.99[illegible]	0.99[illegible]	0.99⅝
U. K. pound	4.8665	4.96½	4.97	4.98	4.97⅛	4.97
Argentina	.4246	.2763	.2763	.2778	.2744	.2730
Australia	4.8665	3.9672	3.9670	3.9754	3.9715	3.9706
Austria	.1407	.1897¾	.1898	.1901¾	.1896¼	.1894½
Belgium	.1392	.1697½	.1698	.1701¾	.1698½	.1696
Brazil	.1963	.0564¼	.0564½	.0565½	.0564½	.0554
Czechoslovakia	.0296	.0418	.0417¾	.0418¼	.0417¾	.0417
Denmark	.2680	.2218	.2219¾	.2224	.2222	.2220¾
France	.0392	.0663¾	.0664	.0665½	.0664	.0663½
Germany	.2382	.4051¾	.4054½	.4064¼	.4054½	.4051
Greece	.013	.0095	.0095	.0095¼	.0095	.0095
Holland	.4020	.6827	.6835	.6850¾	.6841	.6834¾
Hungary	.1749	.2993	.2994	.2999¾	.2994	.2988¼
India	.3650	.3780	.3781½	.3789½	.3783½	.3782
Japan	.4985	.2897½	.2903½	.2908¾	.2905½	.2905¾
Jugoslavia	.1929	.0231¾	.0231¾	.0232½	.0231¾	.0231½
New Zealand	4.8665	4.0072	4.0069	4.0155	4.0155	4.0106
Norway	.2680	.2496	.2499	.2502¾	.2501	.2500¾
Poland	.1122	.1904	.1903	.1907	.1904	.1901
South Africa	4.8665	4.9441	4.9439	4.9543	4.9494	4.9483
Spain	.1929	.1375½	.1376½	.1379¾	.1376½	.1375¼
Sweden	.2680	.2561¾	.2563½	.2568½	.2564½	.2565¼
Switzerland	.1930	.3270	.3272	.3278½	.3275¾	.3279½
Hong Kong	.5423	.3209¾	.3221	.3227	.3241	.3268¾

Investment Notes

Canada Cement Outlook

In the last two years the volume of business handled by Canada Cement has been below normal. Yet despite limited sales, the company has been able to pay bond interest and to set aside an average of $1 million annually for depreciation.

With an improvement in business, the company would quickly be able to show fairly substantial earnings on its preferred stock, which, at 60, reflects continued depression in building. President J. D. Johnson points out that there are "indications of a turn toward improvement."

* * *

Maple Leaf Milling

Maple Leaf Milling Co. earnings outlook has improved substantially since Canadian wheat prices moved into line with Liverpool prices, starting last September. At 4½, however, the new preferred remains an unknown quantity, the outlook being dependent upon earnings for several years in the future.

* * *

Sherwin-Williams Sales

Sherwin-Williams Co. of Canada is reported to be doing a bumper business. As stated some time ago in a feature article in The Financial Post, the company's financial position is good, so that substantial earnings would enable it to pay off preferred arrears and would probably mean improvement in the outlook for the common shares.

* * *

Canada Dry Gains

Showing of Canada Dry Ginger Ale for fiscal year ended September 30 last was not inspiring but earnings for the last quarter were. For the first 9 months it had only $10,200 net income and in the Sept. 30 quarter $230,000.

Plans to decentralize bottling and distribution facilities have awakened stock market optimism again. The shares are therefore once again near $17½, the high for 1935.

* * *

Blue Ribbon

Improvement is reported in the Blue Ribbon situation. Willard's, the new subsidiary, has increased earnings and is expected to show an operating profit for 1935. Blue Ribbon has altered part of its sales personnel, and has increased advertising.

At $27, Blue Ribbon preferred yields 7.4 per cent on the $2 partial dividend. This reflects the earnings difficulties of recent years.

* * *

Dominion Stores

Sales report of Dominion Stores for December will be "interesting," it is stated, indicative of another increase. November and December show the only sales gains this year. Earnings for the last six months will hardly offset write-offs from surplus in the first half of 1935.

Rising food prices, however, will mean an improved inventory position, although it may not be shown in dollars and cents. The shares continue dull around $8½ each. They may be worth investigating by the investor who desires to hold a non-dividend payer as protection against rising income taxation.

* * *

Grocers Preferred

Market for National Grocers preferred has thinned around $130, while the common shares have been firm at close to $7. The explanation is that a proposal to wipe out arrears of preferred dividends, sponsored outside the company, involves sale of the preferred shares as an evasive means of realizing income.

It may not work, and, if the preferred arrears remain, the common will have a long wait for returns.

* * *

Shares For Recovery

National Sewer Pipe class A shares are suggested by stock brokers as a good medium for investment in prospective recovery of the building trades. The net working capital alone is nearly $33 a share, while the stock sells below $18. Arrears of cumulative dividends total $4.80 a share. There has been an operating loss each year since 1932.

Still the small deficit and the dividend arrears could be adjusted if the building business were to recover sharply.

* * *

Opinion on C.P.R.

One Toronto stock broker suggests that the investor cannot go wrong in C.P.R. around $11 a share. His view is that if Canada recovers, C.P.R. is bound to do the same.

* * *

Inter. Bronze Powders

It is understood that International Bronze Powders, which carried out public financing a few months ago, has experienced a substantial increase in business during 1935. Demand from the United Kingdom is reported to have been above average and sales are expected to show an increase of about 25 per cent over those reported for 1934. In 1934 there was a net profit of $305,894, which was equivalent to $4.08 a share on the preferred stock, which has a par value of $25. Earnings on the common amounted to $1.55 a share.

* * *

Winnipeg Electric Output

Power sales of Winnipeg Electric Co. are understood to have shown considerable improvement in 1935, and continuation of this trend should make the reorganization a happy one.

Significant Investors' Index Numbers

1926 = 100

	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
No. of Securities	15	6	4	4	10	19	8	87	20	112
1929-34:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low		36.8	1.4	34.9	78.3	68.5	27.3	44.0	30.5	38.6
Monthly Figures, 1935:										
January	129.4	14.0	71.5	181.5	75.8	134.2	106.8	129.7	50.4	90.5
February	126.4	13.4	67.4	197.7	75.6	131.3	106.1	128.8	49.4	89.6
March	117.0	11.6	56.0	176.0	74.1	126.5	101.6	125.6	45.1	86.1
April	119.4	11.1	56.9	178.6	73.1	125.1	99.6	130.8	43.8	88.5
May	121.9	10.8	59.9	211.7	70.3	127.8	102.4	144.4	44.4	96.8
June	118.6	10.5	58.4	217.9	67.2	127.0	104.7	145.2	45.0	97.1
July	122.2	10.6	57.4	210.6	66.7	128.5	116.7	143.8	44.7	95.5
August	122.1	12.0	59.3	210.0	65.5	130.1	122.9	146.1	47.7	98.2
September	118.7	12.4	61.2	206.6	61.8	128.7	126.5	147.1	46.3	97.5
October	123.0	12.6	60.9	215.1	63.5	134.4	133.2	152.9	45.6	100.0
November	127.8	14.6	66.9	228.7	69.0	145.7	157.3	170.3	50.9	110.4
Weekly Figures, 1935:										
Dec. 5	124.6	15.0	75.4	215.0	69.4	147.9	161.7	175.6	50.9	111.4
Dec. 12	126.3	15.5	75.0	215.8	70.5	148.5	165.4	180.5	50.5	113.3
Dec. 19	124.5	16.0	76.2	217.9	70.1	148.7	156.2	176.1	49.4	110.8
Dec. 26	124.3	16.3	77.6	212.0	70.7	148.8	154.3	176.1	49.4	110.2

*High and low of years from 1929 to 1934 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Dec. 30	128.17	120.56	123.96
Dec. 28	125.63	119.38	122.11
Dec. 27	126.40	119.50	122.68
Dec. 26	126.86	120.23	119.51
Dec. 24	126.01	118.32	118.61
Dec. 23	126.68	117.94	117.45
Month ago	126.51	112.73	112.36
Year ago	105.29	114.11	85.01
High, 1935	129.85	123.68	130.79
Low, 1935	97.90	96.70	80.83

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Dec. 30	66.4	69.0	68.2
Dec. 28	65.8	68.1	67.3
Dec. 27	65.1	68.1	67.1
Dec. 26	65.3	68.3	67.3
Dec. 24	65.6	68.4	67.5
Dec. 23	65.5	68.2	67.3
Month ago	68.1	62.3	63.2
Year ago	62.6	61.3	61.7
High, 1935	69.6	69.1	67.9
Low, 1935	56.1	54.8	56.1

December 31st Security Valuations

Many investors have their security holdings valued at the close of each year to enable them to keep a satisfactory record of the position of their investments.

We shall be pleased to value your security holdings as at December 31st, 1935. It is only necessary to mail a list of the investments on which valuations are desired.

Wood, Gundy & Company Limited

Toronto, Montreal, Winnipeg, London, Eng. — 36 King Street West, Toronto — TELEPHONE: ELGIN 4321 — Ottawa, Hamilton, Vancouver, London, Ont.

FEATURES

in the January issue

THE CANADIAN CHARTERED ACCOUNTANT

The Australian Recovery Plan—A Canadian Viewpoint
Report Writing
The Natural Business Year
Municipal Accounting and Auditing
Credit
Court Decision Regarding Loose-Leaf Records

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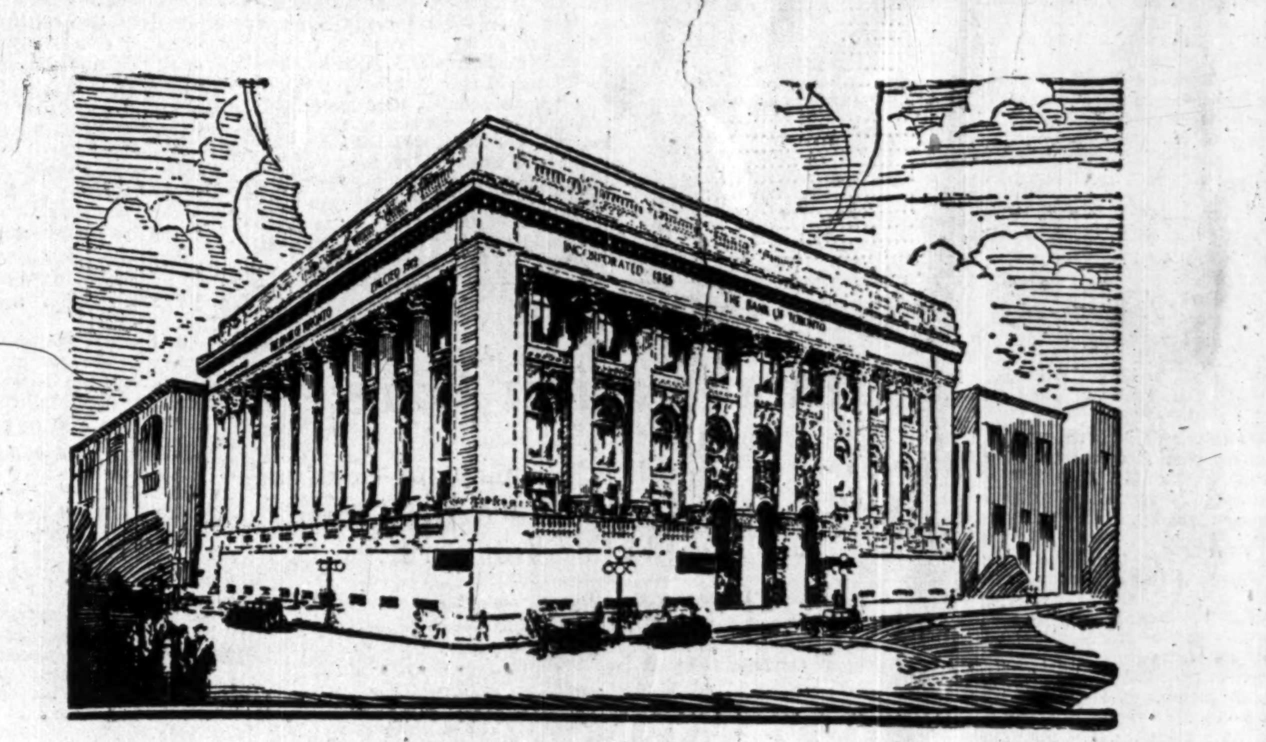

THE development of more friendly relations in the national, social and business life of the world is recognized as essential, since this will assist in creating the confidence and co-operation necessary for future progress.

Friendship is the keystone of this bank's service. We wish every customer to feel that we welcome him whether he requires one or all of our many services, or wishes to discuss his problems with us.

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Established 1855

Capital Paid Up $6,000,000 — Reserve Fund $9,000,000

Bond Markets

Bond Prices Advance

• • • •

Government Deficits Dangerous

Reflecting improvement in business sentiment and continued pressure of idle funds, the general bond price level is again showing an upward tendency. Holiday dullness in bond markets has failed to check the advance of both government and corporation bonds.

Major demand still centres on issues having a minimum of risk. This fact reflects the prevalent uncertainty regarding the long-term outlook resulting from the problem of government deficits and questionable fiscal policies. Burdensome and experimental legislation is also a factor.

The need of the bond market is a release from restraints that hamper long-term confidence. With the glut of idle funds continuing, business recovery might easily be stimulated through a re-awakened capital market. The most important requisite of such a release is a return to sound fiscal and monetary policies on the part of municipal, provincial and federal governments.

Saskatchewan's feeler for money in Wall Street is not expected to get an enthusiastic response.

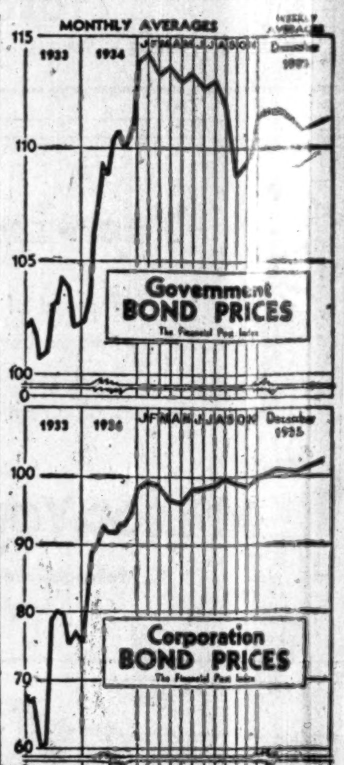
Deficits Mean Inflation

IN A recent statement reviewing Canadian economic conditions at the end of 1935, Ross H. McMaster, president of the Steel Co. of Canada, warns investors that the continuance of governmental deficits is a form of inflation.

Taking care of government deficits by the issuance of bonds is merely an expansion of the credit structure.

The greater the expansion of credit the greater the impulse to lower interest rates until confidence is restored. While declining interest rates have brought a much needed reduction in debt charges, increases in debt principal are gradually absorbing this saving.

Referring to the present low rate available for short-term borrowing, Mr. McMaster points out that so long as deficits are covered by promises to pay, the continued expansion of our credit structure will create, in the minds of investors, a doubt as to future monetary values. When such uncertainty exists, the preservation of capital is the first consideration and the rate of interest becomes secondary.



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Howard Smith Financing

THE way in which financial affairs of Howard Smith Paper Mills and subsidiaries have been proceeding appears to indicate a major refinancing operation.

Minor bond issues totalling some $828,000 are to be redeemed Feb. 1. The major subsidiary bond issue is $1,358,500 of Canada Paper Co. six per cent bonds of 1947. These are redeemable at 103½ on June 4, 1936. Then there is $6,712,000 of the company's own 5½ per cent bonds redeemable at 104.

There is little doubt that lower rates could be obtained on these issues by refunding with a consolidated loan.

Another development is the proposal, being considered Feb. 12 by shareholders, to wipe out arrears of preferred dividends. If all bonds were refinanced, and preferred arrears wiped out, the reduction in interest charges would be beneficial to the preferred stock and would offset any increase in annual preferred dividend requirements. The common shares would have a rosier outlook. Holders of the various bonds would have to take a lower rate or invest elsewhere.

• • •

Inflation and Real Estate

WITH inflationary credit expansion driving bond prices upward, and future monetary values in doubt, investors are turning from bonds to other avenues of investment. One which is receiving favorable consideration in many quarters as a hedge against inflation is real estate.

Real estate experience under currency inflation in Germany is detailed in the January issue of the Journal of the American Institute of Real Estate Appraisers. Dr. Alexander Block, Welwyn, Eng., in writing on this subject states, in part:

"Currency disorders promote the flight from money toward something more stable and especially more tangible than money. The attraction of real estate as investment and refuge under these conditions increases considerably. At the same time, in such a condition, the burden of real estate indebtedness is decreasing. The benefit real estate owners derive in the initial stage of inflation has been experienced in many countries. Later, when inflation increases, entrepreneurs hesitate to enter into contracts drawn in money. The amount of new capital offered for long term investment on mortgages soon declines."

• • •

Corporation Bonds Up

DESPITE the small volume of trading at the year end, prices of high-grade corporation bonds have strengthened. The Financial Post index of corporation prices rose from 100.80 in the previous week to 100.87. This compares with 97.61 at the end of 1934.

Gatineau Power five and six per cent bonds gained further ground on the strength of new contracts with the Ontario Hydro. Maclaren-Quebec bonds, on the other hand, lost 1½ points. Ottawa Valley Power 5½'s advanced 1½ points on the prospect of the Ontario government taking over the development.

• • •

Government Bonds

GILT-EDGED government bonds have recorded further improvement and as a result The Financial Post index of government bond prices stands at the highest point since the end of August. Dominion of Canada mid-term and long-term issues both moved to higher levels during the past week as did the Dominion guaranteed issues of the C. N. R.

As for provincial issues, investors are still showing a partiality for Nova Scotia and New Brunswick bonds, which are not likely to be included in any refunding scheme. Ontario issues have shown a soft tendency.

Western provincial issues, with the exception of Manitoba, have been steady. Manitoba issues have slipped, losses ranging from one-half to two points.

The trend of the gilt-edged market is indicated below:

The Financial Post Average Yield and Price For Seven High-Grade Bonds

1935	Yield %	Price $	1934	Yield %	Price $
Dec. 30	3.554	112.07	Dec. 31	3.384	114.82
Dec. 28	3.573	111.86	Dec. 29	3.384	114.82
Dec. 27	3.580	111.77	Dec. 28	3.390	114.82
Dec. 26	3.596	111.61	Dec. 27	3.397	114.75
Dec. 24	3.606	111.50	Dec. 26	3.401	114.67
Dec. 23	3.606	111.50	Dec. 24	3.406	114.64
Year's	3.367	114.97	Year's	3.373	115.00
Range	4.097	106.57	Range	4.517	102.54

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Int. P. & P. Nfld.	4½%	1948	Jan. 15	100
Matapedia Val. L. & Pr. ...	6½%	1944	Feb. 3	102½
Ham. By-Prod..	7%	1943	Feb. 1	102
Mt. Royal Tunnel	5%	1970	Apr. 15	100
Eaton Realty	5%	1949	Feb. 1	100
Twin City	§6%	1937	Jan. 15	....
Lincoln Pulp	7½%	1942	Feb. 1	103
Georgetown C. Pap.	6½%	1947	Feb. 1	102
Gartshore-Thom. Pipe	6½%	....	Feb. 1	102½
United Amuse. ..	6%	1942	Mar. 1	103

§Secured dividend notes and fractional scrip certificates.

Stock Issues:	Rate	Stock	Date	Price
Can. Dredge & D.	7%	Pref.	Jan. 31	107½
Whittall Can. .	6½%	Pref.	Jan. 20	110

Saskatchewan May Seek Loan In New York

From Our Own Correspondent

REGINA.—Saskatchewan is also turning to Wall Street.

Feelers have been sent out to find what response the United States money centre would offer for Saskatchewan bonds.

The government faces a $3 millions maturity Feb. 1. To meet this some form of refunding will be necessary. While it is too early to state whether the Saskatchewan government is turning toward New York for funds, it is an indication the provincial authorities are not necessarily waiting for action from the Ottawa-provincial conference committee on finances, meeting early in January. The government is hopeful that something constructive will come from that meeting.

Aberhart Influence

Saskatchewan, therefore is still feeling the effect of the Aberhart election in Alberta and until the future trend of events in that province takes a turn away from social credit theories, the uphill battle for neighboring provinces to seek funds on a more profitable basis, will more than likely continue.

There is a report in government circles here Regina, Saskatoon and Moose Jaw will be seeking funds through the government.

UNITED AMUSEM'T CALLING BONDS FOR NEXT MARCH

W. C. Pitfield and Co. Will Handle Refunding Loan

From Our Own Correspondent

MONTREAL.—United Amusement Corp. has called for redemption on March 1, next, all of its outstanding 6 per cent first mortgage fifteen-year series A bonds at a premium of 3 per cent.

At the end of last year the company had outstanding $1,186,100 of its series A bonds. Of this amount $26,980 were carried among the company's own investments. With the premium, approximately $1,190,000 will be required to effect the redemption.

Bring Out New Issue

The financial position of United Amusement at the end of 1934 indicates that the company plans to refund the series A bonds. The new bond issue will be handled by W. C. Pitfield & Co. It is not expected that a public offering will be made until some time toward the end of the month.

United Amusement is closely associated with Famous Players Canadian Corp., which owns a large, though minority holding, of common stock.

GEORGETOWN PAPER CALLS FUNDED DEBT

Howard Smith Subsidiaries Cleaning Up High Yield Bonds

From Our Own Correspondent

MONTREAL.—Georgetown Coated Paper Mills, subsidiary of Alliance Paper Mills, which in turn is controlled by Howard Smith Paper Mills, has called for redemption on February 1, 1936, all of its outstanding 6½ per cent first mortgage sinking fund bonds ordinarily due on August 1, 1947. At the end of last year there were outstanding $164,500 of these bonds, which will be redeemed at a premium of two per cent, payment being made in Canadian funds only.

Dufferin Paving Pays Its Debenture Interest

Dufferin Paving and Crushed Stone Co. will pay the interest due on its new five per cent debentures on Jan. 2 to holders of record Dec. 27. This is the initial payment on debentures which were issued to old preferred shareholders under the reorganization effected last May. Interest is payable annually and the payment to be made on Jan. 2 covers the nine month period ended Dec. 31, 1935.

It is expected that the company's report for the year ended Dec. 31 will show considerable improvement over 1934, when a deficit of $254,625 was reported. Outlook for 1936 is better than in past years.

Gartshore-Thomson Pipe To Redeem Bond Issue

Gartshore-Thomson Pipe & Foundry Co., Ltd., of Hamilton, has announced that it will redeem all its outstanding six per cent first mortgage bonds on Feb. 1, 1936.

Redemption is to be made by the payment of principal, plus a premium of 2½ per cent and accrued interest. At the present time, bonds of the company are outstanding to principal amount of $129,500.

GT. LAKES POWER PLANS TO BUILD 11,000 H.P. PLANT

To Spend $1 Million on Montreal River Power Site

Plans for the construction of a hydro-electric development on the Montreal River, (which empties into the lower end Lake Superior) with an initial capacity of 11,000 h.p., have been announced by the Great Lakes Power Co., which supplies Sault Ste. Marie and district with electric energy.

Work on the new development, the cost of which is estimated at $1 million, is to commence immediately. Contracts for the work are to be signed this week. For several months there has been an engineering staff at the power site, located just above the point where the Algoma Central Railway crosses the Montreal River. Preliminary ground clearing in preparation for the construction of the dam and power plant has been completed.

Initial Capacity 11,000 h.p.

While the initial capacity of the development will be 11,000 h.p., the ultimate capacity is to be 25,000 h.p. Installation of the initial unit is to be rushed to completion in 1936. Rights held by the company on the Montreal River call for completion of the development by the end of 1937.

Construction of the new 11,000 h.p. development will bring the total capacity of Great Lakes Power Co. to 76,000 h.p. At the present time, the company has two plants, one on the St. Marys River at Sault Ste. Marie and one at High Falls on the Michipicoten River.

Output at All-time Peak

Decision to build the new plant at this time comes as a result of continued improvement in demand for power in the Sault Ste. Marie district. At the present time both of the company's plants are operating at capacity. Both domestic and industrial sales are at a record peak. With greater activity looked for in the plants of the Algoma Steel Corp. and continued activity in the Michipicoten mining area, the company feels that unless its capacity is increased it will not be able to supply the demand for power.

Position Improves

During 1935 Great Lakes Power materially improved its position. Arrears of preferred dividends amounting to $5.83 per share were wiped out. In addition, the company paid off a serial maturity of $140,000 of six per cent first mortgage bonds and $66,000 indebtedness assumed from Middle West Utilities Co. of Canada. These payments were facilitated by receipt from Algoma Steel Corp. of $150,000 for which the Great Lakes Power had held a receiver's certificate.

During the first nine months of 1935, net profit was $39,000 higher than in the corresponding period of 1934. In the last quarter of the year, operations showed even more marked improvement than in the first nine months.

G. Hurrell President Of B. C. Bond Dealers

Gwynne Hurrell, of Western City Co., Vancouver, has been elected president of the British Columbia Bond Dealers' Association for 1936. The new vice-president is G. L. Hepburn, of C. M. Oliver & Co., Victoria.

The executive council for 1936 was elected as follows: D. Birch, of Robb, Robertson & Birch; M. Brink, Pemberton & Son; Ross Wilson, A. E. Ames & Co.; D. Lauder, of Dominion Securities Corp; all of Vancouver. Gordon Sweet, of Waghorn Gwynn & Co., Vancouver, is honorary secretary-treasurer.

Railway Earnings

Canadian Pacific

Nov.:	1935 $	1934 $	Increase $
Gross earn.	11,859,007	11,184,505	674,501
Work. exp.	8,403,598	7,742,677	660,920
Net earn...	3,455,408	3,441,828	13,580
11 Months:			
Gross earn.	118,097,626	114,837,174	3,260,463
Work. exp.	99,006,127	93,624,559	5,381,568
Net earn...	19,091,510	21,212,614	*2,121,104

* Decrease.

Canadian National

Nov.:	1935 $	1934 $	Increase $
Oper. rev..	15,253,708	13,782,020	1,471,688
Oper. exp..	12,918,550	12,082,006	836,544
Net rev....	2,335,158	1,700,014	635,144
11 Months:			
Oper. rev...	158,209,796	151,548,021	6,661,775
Oper. exp...	146,078,839	139,896,074	6,182,765
Net rev....	12,130,957	11,651,947	479,010

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Dominion—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Canada Treasury Bills	Dec.	....	...	Apr. 1, '36	$25,000,000	99.705	1.198%

1936—Business Marches On

During the year 1935 healthy gains in business activity were made. There is as yet no indication of any let up in this progress. Indices of key industries for 1935 show average gains of more than 7% over 1934 and over 35% since the low point in 1933.

We recommend the following securities of two basic industries as a safe means for the re-investment of January funds.

FUEL Hamilton By-Product Coke Ovens Ltd.
5% First mortgage sinking fund bonds due 1st Nov. 1955
Price: 100 and accrued interest to yield 5%

POWER Lower St. Lawrence Power Company
5% First mortgage sinking fund bonds due 1st Oct. 1955
Price: 100 and accrued interest to yield 5%

Full particulars will be supplied upon request.

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For the Bond Buyer

C. P. R. 4½'s or 4's

Secured Notes Well Regarded, but Lack Attractions of Convertible Four Per Cents

An enquiring investor brings up the unusual features of the security behind C.P.R. 4½ per cent secured note certificates, due Dec. 15, 1944. His comment is that there seems to be good security behind the notes and that the government would not let the C.P.R. go into bankruptcy.

In considering purchase of the 4½ per cent notes at 99, it is worth considering beforehand the counter-attractions of C.P.R. convertible 4's of 1949, at about 98½.

In addition to being a direct obligation of the C.P.R., the 4½ per cent notes, due 1944, are secured by assignment to the trustee of all unpaid purchase money or deferred payments owing on lands in Manitoba, Saskatchewan, Alberta and British Columbia sold or contracted to be sold prior to Dec. 1, 1924. The amount of payments thus pledged in 1924 was $66 millions, and the issue of 4½'s of 1944 totalled $30 millions.

Application of Funds

All funds received by the trustee are applied to payment of interest on the 4½'s of 1944 and then to retirement of the notes. This had brought the outstanding amount down to $20,838,700 at the end of 1934.

It is worth noting that the reduction in the amount outstanding between 1924 and 1929 was $7.7 millions, but that between 1929 and 1934 it was only $1.5 millions. The railway company has covenanted that the amount available for purchase of notes each year after 1929 shall be at least $300,000. This is approximately the rate at which retirements have been made in the depression period. This reflects the smaller payments to the trustee in the last five or six years. Even at the minimum rate of redemption, however, the total issue of 4½'s of 1944 would be reduced another 15 per cent by maturity, at which time it would total less than 60 per cent of the original amount.

Earnings and Security

After receiving special income, the C.P.R. has earned all fixed charges throughout the depression, and the margin by which interest has been covered has increased since 1933 from $1 million to over $6 millions.

If a bankruptcy for the C.P.R. be visualized, the 4½ per cent notes would only be a secondary charge on the railway company, because most of its other bond issues are secured by the prior charge, the 4 per cent perpetual debenture stock. The debenture stock would be the prior claim on assets and the 4½ per cent notes would be junior charges. The 4½'s of 1944, however, would have their first charge on the western Canadian land purchase agreements. Finally, of course, there would be the charge against the general assets of the C.P.R.

Most bond dealers view the 4½ per cent notes, due 1944, as a high quality corporation security. It must be noted, however, that they are callable at 101, which is a potential threat to holders. If the company's income improves materially, and if interest rates remain low, it is possible that such issues as the 4½ per cent notes may be redeemed and financed at a lower rate. This is not an immediate probability, however, because the company still has some $48 millions of bank loans to fund.

Attractions of Convertible 4's

The 4½ per cent notes lack the attractions of the conversion feature of the C.P.R. 4 per cent bonds due July 2, 1949. This latter issue is secured by deposit of $125 of 4 per cent debenture stock for each $100 of bonds, and, up to 1941, is convertible at the holder's option into 4 shares of common stock for each $100 of bonds. A reassuring feature for the long-term investor is that the convertible 4's are not callable prior to maturity.

These convertible 4's can be bought at 98¼ or 98½, a slightly better price than the 4½'s of 1944, so that the yield is about ½ per cent less. Still, the conversion feature may be of value before 1941. If, for example, C.P.R. common stock were to go to $20 a share, the convertible 4's might well sell at a premium in anticipation of the possible concrete value of the conversion privilege.

Canadian Corporation Financing

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INCORPORATED
Investment Dealers
507 Place d'Armes, Montreal
OTTAWA TORONTO QUEBEC SHERBROOKE

"THE RICH MEN OF 1935"

In 1932 a New York banker was asked who were buying stocks. "The rich men of 1935," he replied.

To date, the average value of 21 stocks we recommended in June, 1932, has increased 263%.

Copy of a revised list sent on request.

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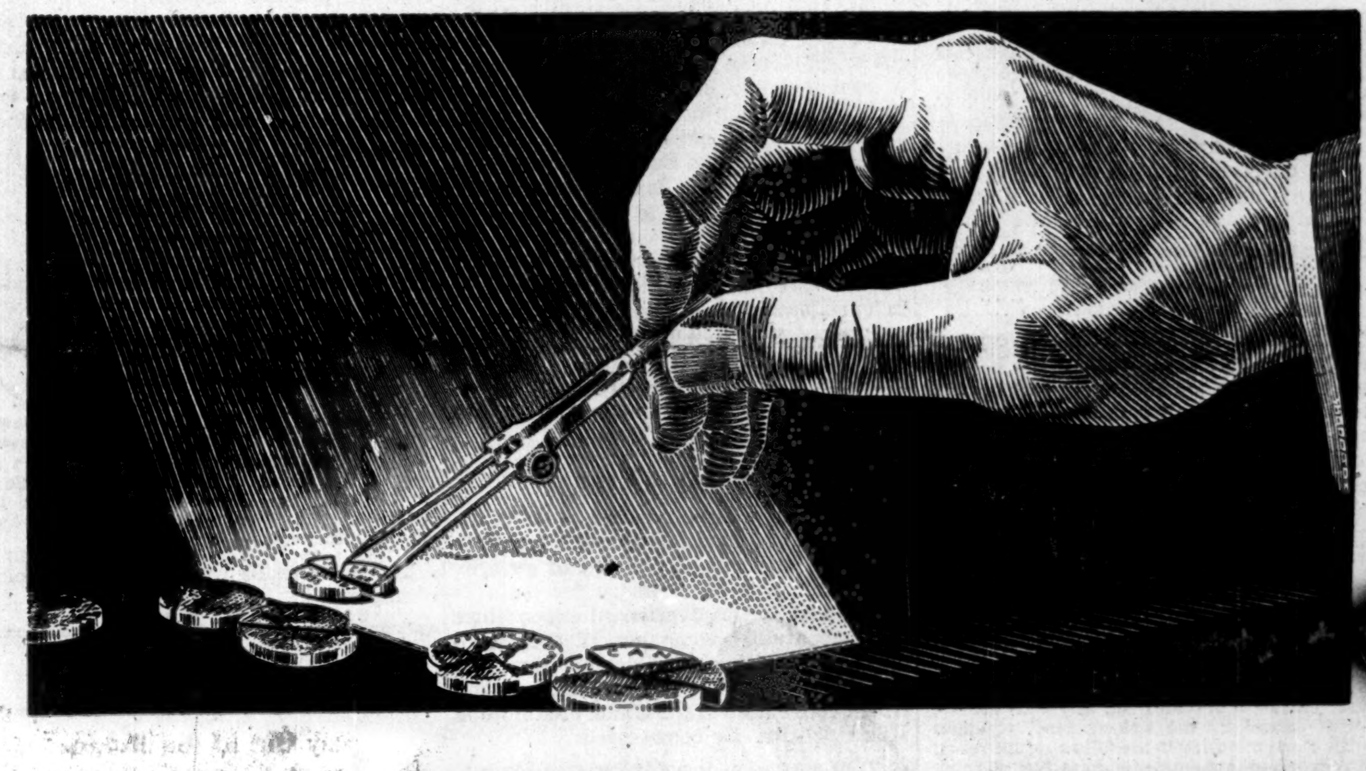

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A FULL PAGE *in Canada's leading magazines sends 984,597 sales messages pouring into responsive and free-spending homes at a cost of less than half a cent per home. If you were to send the identical message on a postcard to the same number of people, it would cost you $9,845.97 in stamps alone, not to mention costs of production and addressing.*

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And the cost of all this, in relation to circulation, amounts to less than half of one cent for every full page advertisement, less than a quarter of a cent for every half page advertisement and less than one eighth of a cent for every quarter page advertisement.

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PROVIDE A NATIONAL COVERAGE ACROSS CANADA

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Member Audit Bureau of Circulations

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Business Manager—D. M. Gowdy

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TORONTO, JANUARY 4, 1936

New High in Exaggeration

THE statement attributed to Mayor G. G. McGeer, of Vancouver, that the city of Montreal is broke, the province of Quebec is broke, and that all the cities of Canada are broke, "even if some of them don't know it," marks a new high in exaggeration. Mr. McGeer, it seems, is straining to hold his place with Messrs Aberhart and Hepburn in the trio of Canada's foremost headline-makers.

In contrast to Mr. McGeer's statement, Mayor Elton, of Lethbridge, recently commented on the Dominion government's additional relief grants for the assistance of municipalities, as follows::

"We have not relied largely on federal loans, and/now, should the cities be relieved of the unemployment relief load, as intimated from Ottawa, Lethbridge will be able to go ahead with needed civic improvements without capital expenditures or additional taxes."

It is also pertinent to note that there is a wide difference in the per capita debt of large Canadian cities, after allowing for sinking funds, as shown below:

Ottawa	$123	Toronto	$260
Saint John	126	Montreal	267
London	132	Vancouver	294
Winnipeg	159	Victoria	297
Hamilton	201	Edmonton	302

Per capita debt is only a reliable measure of the real burden when considered in relation to capacity to pay in each municipality. Even though the position of each municipality differed, and although Vancouver's per capita debt is not exceeded by many cities, it would be a mistake to suppose that all or any of them are bankrupt. Most of them are, in fact, proud of their records of solvency. As to Vancouver, a recent statement by Alderman C. E. Tisdall, formerly mayor of the city and now chairman of the finance committee, speaks for itself:

"All city bonds falling due during the next four years are provided for, and with the interest earned by the sinking fund, together with bonds maturing in the following six years, it is expected that ample funds will be on hand for these years also."

No informed student of the finances of Canadian governments, federal, provincial and municipal, will deny that the continuing deficits and increasing debts of these bodies constitute a most serious problem. It is one, however, that is entirely capable of solution, and the proof is that many municipalities have maintained or improved a strong financial position even during the depression. Among them are Red Deer in Alberta; Chatham, Galt and St. Catharines in Ontario; Granby and Westmount in Quebec; and so on to a long list.

The good municipal debt records are due largely to efficient local management based on the thrift and frugality of administrators and of the citizens themselves. Vancouver's record is not bad, but it can stand a lot of improvement. Instead of crying blue ruin, the responsibility of Mayor McGeer is to improve his city's finances as his contribution to a good municipal record. The way for him to do it is to study what other municipalities have done and then to go and do likewise.

McFarland is Critical

JOHN I. McFARLAND, who was replaced as head of the Canadian Wheat Board, has issued an attack on the Government and on the new board. No objection can be taken to that, for wheat sales administration is now a matter of public policy, properly open to criticism by those who think it wrong. The Financial Post repeatedly and continuously criticized such administration when conducted by Mr. McFarland, and pointed out the need both for a change in policy and a change in personnel, both of which have now occurred.

Although Mr. McFarland is now critical, he resents the criticism which took place of his policies when he was "under the fire of selfish and political interests," and such criticism was then "vicious propaganda." He says that the Canadian wheat sales problem has now reached the "picnic stage," which would deprive the new board of any credit for what they may do, and would imply that he also might be selling wheat in large quantity at this time. But a similar idea which he held less than a year ago proved illusory.

On February 14, 1935, he made an elaborate speech at Moose Jaw to prove that other countries would have to buy, from January 1 to July 31, 168 million bushels of Canadian wheat, an estimate that proved to be wrong by over 100 million bushels. Mr. McFarland said:

"Our carryover will be well under 100 millions on August 1 next, which contrasts with the whispering campaign around recently to the effect that Canada's foolish policy will leave us with a carryover of 200 millions."

The carry-over was actually 215 million bushels. So much for John I. McFarland as a wheat authority.

"Editorial" Advertising

A GOOD deal of public discussion has been aroused recently by a number of articles that have been appearing in a Canadian publication, dealing with two groups in business. Now we learn from Marketing that these articles were "editorial advertising" and that they have appeared "by special arrangement with the associations" representing the groups in question.

The writer in Marketing, John C. Kirkwood, goes on to say:

"There are pocketfuls of money ready for exchange between those with something to sell and publishers who present good ideas. The sad thing is that good ideas are rejected by so many publishers; they lack perception, or else are dominated by fears."

John C. Kirkwood knows a great deal about advertising but we wonder if he has thought through the implications of the "editorial advertising" he writes about.

It may be no "secret" in professional publishing circles when paid propaganda or advertising appears in the guise of news or independent editorial expressions of opinion. A more important point is: is it a secret from the readers of the publication? Do they know who sponsors the articles? That is always a question between every publication and its readers. The Financial Post's policies are simple; to make sure our readers know who pays for or sponsors any advertising material in our paper and not to sell our editorial opinions to anyone for cash.

A still more important point is whether any institution or association gains much by attempting to present its case to the public in an indirect and covert fashion. If the public gets the idea that any group is trying to influence their views in an oblique manner the reaction against that group is bound to be unfavorable.

When a company or association feels that it is not fully understood by the public it should come out frankly and tell its story openly and with full revelation of all the facts. The public will listen to any clean-cut story, clearly presented. If advertising is used it should be candid and complete, such as the recent institutional advertising, done over its own signature by the Imperial Tobacco Company of Canada, or the group advertising that has been sponsored for many years by the life insurance companies of Canada.

The "pocketfuls of money ready for exchange" are not important. The fearless independence of Canadian publications and the openly sponsored messages of Canadian advertisers are important. When either or both are prostituted then both the publications and the advertisers, who are at fault, must suffer in the long run.

The Public and Debts

BEFORE it will be possible to bring the people of Canada to forcing a complete reform of the serious position of government finance it is necessary for them to realize that every government expenditure must eventually come out of their own pockets. Hon. Ewan McPherson, Manitoba provincial treasurer, put it plainly to the recent convention of the Union of Manitoba Municipalities. He commented:

"The depression is not responsible for our financial problems. They started before many of you were born. Their origin lies in the debts incurred by political parties which you and I supported. Not a penny has been spent by any government except at the repeated requests of the people of Manitoba.

"And now people want paved highways. They are out of the question with our population at its present figure and our financial problems.

"Practically not a penny has been put by to meet provincial issues when they mature. If you want to become serfs there is no better way than to increase your debt."

These truths will have to be reiterated constantly before the mass of the people will be brought to an understanding of the grave financial condition into which the finances of their governments have drifted. The sooner people become aware of the problem, the sooner governments will be able to remedy the situation.

Catechism of Re-employment

WHAT is the solution of unemployment problem? It is to find jobs for people who have not now got them.

Is the solution entirely in our own hands? No; we are influenced by the actions of other nations. Our own best efforts cannot find jobs for all of the workless without a greater measure of world prosperity.

Can we greatly reduce the number of unemployed regardless of world developments? Indeed, yes. There are many constructive policies of an internal nature that would lead to more rapid re-employment..

What, for example? We could make it possible for a larger number of Canadians such as farmers to buy the goods and services that the unemployed would like to produce if they had a chance.

But are not the farmers now getting higher prices? Yes, and it has helped them materially. But they are still on the light end of the price scale. If industrial wages are increased as rapidly as farm prices go up, or more rapidly, there will continue to be serious disequilibrium. Farmers will still suffer from impaired purchasing power, with the result that they will not be able to buy the labor of workers.

Are the industrial codes in Ontario and Quebec attempting to raise wages? That was not the original intention but that is the way they are working out.

That ought to be a good thing; is it not putting more money in the pockets of workers? It is putting more money in the pockets of a few workers in very sheltered trades but the total of wages is not increased because the disequilibrium in prices and wages that already exists is simply intensified.

Then codes to raise wages horizontally are not a means to re-employment and prosperity? Not while farm buying power remains so restricted.

Killing Credit

THE Toronto Globe becomes ironical when it replies to a criticism of Ontario's power contract repudiation policy recently voiced by ex-Premier Henry. Says The Globe:

"An increase in the gross bonded debt from some $280,000,000 to nearly $600,000,000 in eight years left Ontario's credit and borrowing power unscathed! A decrease of $8,000,000 a year, for several decades, in Hydro bills knocks the bottom out of credit!"

In one respect public credit resembles a cat. There is more than one way of killing it.

An increase of $280 millions in Ontario's debts in eight years was extinguishing Ontario's credit by a process of slow strangulation.

The repudiation policy was a more quickly acting lethal dose. It may cost the taxpayers more than they save in power bills. The saving in any event will not approach $8 millions per annum. New contracts are being negotiated and ultimately Ontario will have to provide from some source all of the power now cut off.

Inquisition Chambers

THE Star Chamber is living again in Washington. Almost anyone who has ever made a success of business is likely to be called before a congressional committee and browbeaten.

The Nation's Business, Washington, discusses some of the recent committees and shows how the ordinary business man, summoned to testify before a congressional committee, is subjected to indignities which would not be permitted in the case of the most vicious public enemy arraigned in the lowest police court.

Extensive quotations are made from the Congressional Record to indicate the manner in which congressional investigators conduct their unfair cross-examination of business men who are summoned to give expert opinion or evidence of fact.

We in Canada are familiar with this type of political imposition. The price spreads enquiry under Mr. Stevens touched perhaps the lowest point but other committeemen in the House of Commons in recent years have not refrained from seeing how impertinent they could be in their examination of witnesses.

Editorial Notes

4,200 JAM METROPOLITAN HAIL AMERICAN REGIME—

"The refurbished Metropolitan Opera House opened last night . . . An American, Edward Johnson, was its head for the first time as general manager." — *New York Herald-Tribune.*

Guelph papers please copy.

• • •

"North Dakota's reputation as a grain-growing state is more solidly established than ever as a result of the many high honors which it won at the International Hay and Grain show at Chicago. The Chicago exposition was, in every sense, a triumph for that state, and one it well deserved."—*Minneapolis Tribune.*

Too bad Canada won the world's wheat championship.

Post-Scripts

Stay Out of the Morgue

ALL good newspapers have "morgues." In a newspaper office, a morgue is simply the filing room where are kept facts, photographs, pamphlets, clippings, etc., about the subjects that the newspaper is interested in.

On The Financial Post more than half of the material in the morgue consists of facts about Canadian companies. Thousands of folders contain annual reports, prospectuses, clippings, memoranda, etc., going back for a quarter of a century. It is the most complete file of material on Canadian companies anywhere in existence.

On a daily newspaper the morgue is apt to concentrate on facts about people. Hence the name: when someone dies resort is had to the facts in the morgue to write an obituary article.

On the larger newspapers obituaries of all important people are kept written up to the minute, ready to be set into type on a moment's notice. And the obituaries of the really great are kept standing in type. If a king or president were killed it would be possible to have the story on the street, copiously supplemented with biographical material and photographs, in a very few minutes.

Most newspaper offices will permit fact-seeking visitors to study their records. But we have often thought that they would be wise to keep the No. 1 headliners out of their record rooms. If the Rt. Hon. Lord Bumpkin, for instance, were to visit the average large newspaper morgue, and if his curiosity led him to ask to see the folder of material about himself, the first thing he would notice would probably be a proof of an obituary story starting off like this:

"Lord Bumpkin is dead . . ."

It might give him a queer feeling.

Sayings of the Week

"Human nature is neither good nor bad."—*Beni Prasad.*

• • •

"High wages and best materials are the only road to low prices."—*Henry Ford.*

• • •

"The great war was the greatest piece of salesmanship in history."—*Dorothy Thompson.*

• • •

"Like swimming, riding, writing or playing golf, happiness can be learned."—*Dr. Boris Sokoloff.*

• • •

"Selfishness and self-centredness are the greatest enemies of human progress."—*Nicholas Murray Butler.*

• • •

"When we undertake to sell short to the American democracy we almost certainly make a mistake."—*William E. Borah.*

• • •

"The poorest worker in a capitalistic state is better off than even a rich one in a communistic state."—*Alfred E. Smith.*

• • •

"One of the weaknesses of democracy is that, until it is right up against it, it will never face the truth."—*Stanley Baldwin.*

• • •

"If there is anything this world needs, it is the spread of a little reflective morality among its peoples."—*Robert A. Millikan.*

In the Mail

The Meaning of the News

Editor, The Financial Post:

I like your paper. Its comments are unbiased and fearless. I get more of the meaning of the news from The Financial Post than from any other medium. Departments that interest me are "The Nation's Business," the editorials and "Your Investments."

SUBSCRIBER.

Victoria, B.C.

Government Annuities

Editor, The Financial Post:

The annuities are good because:

1. You can pay in any amount at any time. No penalties, no demands.

2. Any Canadian citizen buying one will never become a public charge.

As to your objections:

1. That it is sold below cost; this can be remedied. They will still be an excellent purchase.

2. Wealthy people are buying; if so, it is good, as wealthy people have been known to lose their estates, and become a charge on the country.

What should be done?

1. Bring the cost where it should be.

2. Keep the limit of $1,200.

3. Sell them to our citizens, by a strong, steady advertising campaign. The selling points are so numerous, and the benefits so many to our citizens and government. Compulsory contributary annuities would be the best, but failing that a strong selling campaign continuous.

Some 20 years ago I started paying in, and now am retired because of it.

THANKFUL ANNUITANT.

Victoria, B.C.

Government Annuities

Editor, The Financial Post:

I note that you say deep sympathy for the taxpayer impels The Fincial Post to protest against a department that is unknown to most Canadians but that sells annuities at far less than cost to well informed, often wealthy, men.

How do you get that way? When I enter our local post office the first object that greets the eye is a picture of some old people and they say: "Don't make our mistake; start now to provide comfort for your old age; buy a Dominion Government annuity."

When I get my mail and turn to go out, I see a notice telling of the advantages of Dominion Government annuities. Thirteen reasons are given why people should invest in annuities.

When I enter the office the Rural Municipality of South Qu'Appelle I see the picture of an old man with a pick, and I read; "A pick is heavy at 65. Canadian Government Annuities provide for old age."

These annuities are also advertised over the air from the city of Regina.

I know several people who have invested in these annuities and by no stretch of the imagination could you call them rich.

There is a department that is costing the taxpayer a pile of money. I refer to the old age pension. A person who has nothing at the age of 70 can qualify. My contention is that the more people you can induce to invest in annuities the fewer the government will have to pay the old age pension to. The persons that I know of who are investing in annuities are self respecting, law abiding people.

I would suggest that better inducements be offered to both men and women to get them started to invest in annuities and reduce the limit to $50 per month.

J. G. BOOTH

Qu'Appelle, Sask.

Free Trade With U. S.

Editor, The Financial Post:

If we could induce Canada to agree with the U. S. A. as to the absurdity of tariff walls between these two adjoining countries, it would be a tremendous step forward in civilization and in the comity of nations. We are both, in the main, from the same racial stock, with the same general standards of living, largely with the same ideals and ambitions. Why endeavor to obstruct the free flow of trade on our respective boundaries any more than, say, for Minnesota to put a tariff against Pennsylvania to protect the Minnesota iron industry; or any of the other states to protect some pet industry as against other states thousands of miles away.

In fact does not the secret of the greatness and power of this United States nation lie in this absolute freedom of trade over the tremendous area within our own political unit? Just think, if there were no artificial hindrances on trade, what it would do to business both in Canada and this country to so tremendously enlarge the markets of both.

A. C. ANDREWS,
President, Andrews Grain Co.,
Minneapolis, Minn.

As Others See Us

Low Taxes and Debts

St. Catharines Standard

The Financial Post, in its article on St. Catharines, declared that this city has the lowest per capita debenture debt of any city of corresponding or larger size in Ontario.

If it were not for the relief problem, which is endemic, St. Catharines would not only have the lowest per capita debenture debt, but probably the lowest tax rate of any city in Canada and with more to show for existing debt than any of its contemporaries.

Good Bonds Saleable

Port Arthur News-Chronicle

City Clerk Arthur H. Evans Tuesday answered twenty-seven long distance telephone calls from persons and firms making enquiry concerning Port Arthur's bond issues.

Commenting on the telephone calls, Mayor Cox today said Port Arthur continues to hold a high place in the esteem of the financial markets of the East. He said Port Arthur would be one of three Canadian cities to receive benefits from a series of financial articles appearing in The Financial Post. "No matter where you go in Toronto and Ottawa when people learn you are from Port Arthur they want to know how we do it," the Mayor said.

Other People's Views

Lost, Strayed or ....

The New Yorker

The Nobel committee decided not to award a peace prize this year. It could not find $40,000 worth of peace in the whole place.

Unfortunate

Thomaston (Ga.) Times

"Hell is full of professional reformers," declares a minister. We regret to hear this. We had been hoping there was room for more.

Funny Looking

Boston Transcript

Newspaper pictures seem to indicate that these diplomats are a funny looking bunch, but you'd probably be, too, if you had to go around all the time with your tongue in your cheek.

Up to the Neck

London Free Press

The trouble is that with the Ontario Hydro commission constituted as at present, a political body controlled by Queen's Park, no one knows what is really going on. The suspicion is that every move is made not for the welfare of hydro but for political purposes.

It is time that the Hydro Commission was reorganized and confidence restored in this province. The chief complaint of the Liberals on the platform last election was that the Conservatives had dragged Hydro into politics. There was some truth in the charge, but Hydro today is into politics up to the neck. The municipalities who own Hydro should take definite action to have their rights restored.

Back to Politics

Calgary Herald

The government-owned railways are to return to political direction, a reversal of the position taken by parliament in 1932 in passing the Railway Act. At that time it was felt, as is still a general view, that the government system would make better progress in eliminating wastefulness and duplication of services if it were placed under a small and competent board, free from the pressure of political influences.

Judging from experience, there is nothing to suggest that a return to direct government control would result in greater operating economies than achieved under trustee management. Mr. Howe is a new minister and allowance may be made for his enthusiasm, but as he continues in office he will find more and more that political pressure brought to bear upon him cannot be ignored. He would be well advised to go slowly in pressing his present proposal.

Shocking the Borrower

Arthur Brisbane, in Minneapolis Tribune

Imagine the amazement of the Great Northern railroad, trying to borrow $100,000,000 at five per cent interest from Mr. Jesse H. Jones, chairman of RFC, and told they could have the money, but the Government would only take four per cent interest, the idea being to help recovery with lower interest rates.

That is enough to make an orthodox borrowing railroad president fall over backwards and hit his head on the floor.

That news will startle the conservative bankers, not used to the idea of cutting $1,000,000 a year off the annual interest on a $100,000,000 loan.

The modern banker lends on a friendly six per cent basis, and then sits biting his lip, wondering whether he will ever be paid.

New Books

CARTEL PROBLEMS. By Karl Pribram. Published by the Brookings Institution, Washington, D.C. Prices $2.50.

Canada has many mergers, many monopolies and near-monopolies and many associations which control prices and markets to a greater degree than the public recognizes. Yet of the cartel we have no genuine examples. The cartel is a collective monopoly openly and avowedly operating as such. It is usually a measure of self-defense adopted by a large group of industries engaged in the same activity and designed to offset some of the more adverse consequences of competition in an unstabilized world.

The cartel movement has made the greatest advances in Europe and in Britain. Canada has at times come under the influence of certain outside cartels without realizing the character of them. For instance, our country knows very well of the existence of the international tinplate cartel. Our wheat growers have been affected by the operations of the flour milling cartel in Great Britain.

Dr. Pribram, a European authority, discusses cartel problems with particular reference to the application of the cartel to the economy of North America. It is a most useful study and one that will undoubtedly be read with eagerness by many Canadians who see in the cartel a solution of the problems of some of our primary industries, such as newsprint. It is a thoroughgoing analysis of the whole question of cartels, their nature, their economic effects, their relations to the state, etc.

Dr. Pribram's conclusions are not always positive, for he recognizes the difficulty of forecasting how governments and the public may react to cartelization on this continent. But he sees trouble ahead if, through the establishment of the collective monopolies, business attempts to control the development of competition, for it can hardly escape some measure of control itself by public authority.

Stop Me If You've Heard This One

A party of tourists were being shown over the cathedral by a guide.

"Behind the altar," he told them, "lies Richard the Second. In the churchyard outside lies Mary Queen of Scots; also Henry the Eighth. And who," he demanded, halting above an unmarked flagstone, "who do you think is a-lying 'ere?"

"Well," answered a near-by tourist, "I don't know for sure, but I have my suspicions."

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Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

The Provincial Bank of Canada

CONDENSED STATEMENT 30th NOVEMBER, 1935.

ASSETS

Cash and due from banks	$ 7,397,275.91	
Government, Municipal and other high grade securities	20,792,775.16	
Call Loans	4,264,033.34	
Circulation Fund	200,000.00	
mmediately Available Assets		$ 32,651,084.41
Loans and Discounts		13,830,955.28
Bank Premises, Real Estate and Mortgages, etc.		3,120,571.87
Liabilities of Customers under acceptances and Letters of credits, as per contra		26,346.97
Other Assets		114,761.24
		$ 49,746,719.77

LIABILITIES

Capital	$ 4,000,000.00	
Reserve Fund	1,000,000.00	
Dividends declared	64,073.12	
Balance of Profit & Loss account carried forward	257,584.22	
		$ 5,321,657.34
Deposits (Savings, Current, Correspondent Banks, etc.)		40,640,614.55
Notes in Circulation		3,755,322.50
Acceptances and Letters of Credit outstanding		26,346.97
Other Liabilities		2,778.41
		$ 49,746,719.77

Week in Business

Export Trade Barometer of National Prosperity

* * * *

Employment Slackens but Stays 6% Above 1934

As business looks into a new year it seems safe to wager that Canada's foreign trade will be a feature of 1936 business. To some industries this is a poor omen for they feel expansion of imports will be at the expense of home products and employment. But on the export side of the trade picture, federal policy is committed to expansion of export markets on the best terms it feels it can obtain. Thus foreign trade definitely looms as a major factor in the new year's business picture.

* * * *

In this connection some very significant figures have been published this week by the Bank of Nova Scotia to analyze the national income or purchasing power of the Dominion and relate this to such matters as taxation, debt, trade, transportations, etc.

Comparison of export trade and national income reveals a most striking similarity, leading the bank to say: "The income of the whole Canadian people tends to follow closely the changing fortunes of our export trade." It says, too, that in general the following rule can be formulated: "That an annual change in the value of exports of say $100 millions will probably be accompanied by or followed by a movement of national income in the same direction which is not likely to be less than $200 millions nor more than $450 millions." The term "exports" in this connection is taken to mean exports of merchandise, gold and services.

Tieing this ratio to the whole question of Canada's national financial position it is noted that if an increase of 22 per cent in export trade occurred and this were to be reflected to the fullest extent in national income on the basis of past experience, then a sufficient rise in national income would have occurred to achieve a virtual balancing of our public budgets.

These ratios are highly interesting and open up new ways of estimating in a rough and ready way the progress of our national economy. They also attach new importance to Canada's export trade as a barometer of business.

* * * *

Employment conditions in Canada at the beginning of December showed seasonal contraction, this being the first general decline since April 1. However, the official government figures show employment 6 per cent higher now than at the same time a year ago. By economic areas, British Columbia, Prairie Provinces and Quebec show most improvement over last year. By cities, Windsor made the most substantial improvement followed by Hamilton and Vancouver. By industries, the biggest improvement was in manufacturing followed by mining. In both construction and logging there were fewer people employed at Dec. 1 than the same period a year ago.

Business Indicators

Changes of the Week

(Compared with the same period last year)

Favorable:

Carloadings—For 51 weeks, freight loadings for 1935 averaged slightly more than one per cent higher than in 1934. Except for a four-week bulge in September-October when heavy wheat movement occurred and another rise last February, the two lines have closely paralleled each other all year.

Retail Sales—November total is one per cent less than in October but 3.3 per cent above same month in 1934. Best gains compared with 1934 were: furniture up 14 per cent; hardware up 21.6 per cent; boots and shoes up 6.8 per cent; music and radio up 7.4 per cent. Women's clothing, dyers and cleaners and groceries and meats were not so busy as a year ago.

The figures are contained in an entirely new index published for the first time this month on a revised and improved basis.

Other gains—Newsprint exports, railway earnings, sugar shipments and manufactures, electric power output, automobile sales.

Unfavorable:

Employment—Still 6 per cent above last year but showed the first downward trend since last April. See Week in Business, above.

Other Declines—Coal imports and bank debits.

Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA — Latest — 1935	1934	Cumulative Total — Jan. 1 to date — 1935	1934
Transportation—				
Car loadings (Dec. 21)	▲41,650	41,114	2,321,147	2,290,716
C.P.R. gross earn. (Dec. 21) .. $	▲2,653,000 $	2,534,000 $	126,221,000 $	122,376,000
C.N.R. gross earn. (Dec. 21) .. $	▲3,490,836 $	3,085,551 $	168,545,742 $	160,519,472
Business Conditions—				
Weekly index D.B.S. (Dec. 21)	▲100.3	100.7	......	......
MONTHLY DATA				
Business Conditions—	1935	1934	1935	1934
Financial post index (Nov.)	106.7	98.1	......	......
Transportation—				
C.P.R. net earnings (Nov.) .... $	▲3,455,408 $	3,441,828 $	19,091,510 $	21,212,614
C.N.R. net revenue (Nov.) .... $	▲2,335,158 $	1,700,014 $	12,130,957 $	11,651,947
Iron and Steel (Nov.) —				
Pig iron production (tons)	64,562	38,968	529,147	364,631
Steel ingots and castings prod. (tons)	93,300	57,050	836,020	700,187
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (Nov.)	▲5,180	1,155	77,602	59,854
Factory output (Nov.)	12,042	1,052	128,311	90,204
Trucks and Buses:				
Domestic sales* (Nov.)	▲805	556	16,729	11,322
Factory output (Nov.)	1,454	645	30,848	23,954
Exports (Nov.)	6,820	622	62,281	44,011
Construction—				
Building permits (Nov.) ..... $	3,315,001 $	2,622,534 $	43,846,688 $	24,935,704
Contracts awarded (Nov.) .... $	8,290,800 $	10,451,500 $	155,940,100 $	119,749,300
Newsprint (tons)—				
Production (Nov.)	262,854	240,869	2,508,557	2,358,097
Exports (Nov.)	▲244,037	221,553	2,297,244	2,154,471
Sugar (lb.)				
Melting & shipments§	▲97,102,444	59,114,346	813,173,926	748,456,751
Manufactured§	▲137,439,534	105,306,254	891,945,739	818,790,114
Flour (bbls.)				
Production (Oct.)	1,824,754	1,654,189	11,647,780	11,998,026
Wheat flour exports (Nov.)	525,368	504,384	4,437,229	4,712,981
Trade (November)—				
Retail trade (index no. of sales)	▲72.2	69.9	......	......
Imports $	55,958,033 $	49,884,153 $	511,745,369 $	474,362,249
Exports $	84,114,990 $	65,124,512 $	660,874,657 $	592,037,005
Wheat exports (bush.) (Nov.)	26,575,296	18,769,770	148,129,229	150,576,163
Employment, D.B.S. Index (Dec. 1)				
All industries	▲104.6	98.9	......	......
Manufacturing	▲101.4	91.3	......	......
Electric Power Output (Nov.)				
Total monthly (000's omitted))	▲2,143,314	1,953,512	21,247,884	19,106,590
Aver. daily	▲71,444,000	65,117,000	......	......
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (Nov.)	121,444	120,558	2,225,518	1,269,364
Boot & shoe prod., pr. (Oct.)	1,911,713	1,782,172	18,440,551	15,005,689
Crude petrol, imp. gal. (Nov.)	137,399,424	124,044,284	1,101,150,914	1,027,544,508
Cotton imports, lb. (Nov.)	13,814,244	18,477,832	98,439,717	124,874,268
Raw rubber imp., lb. (Nov.)	9,832,033	3,511,869	54,443,678	57,320,442
Coal imports, tons (Nov.)	▲1,360,058	1,666,171	12,208,517	13,029,972
Finance—				
Bank debits (Nov.)† .... $	▲3,021,500 $	3,092,200 $	28,613,000 $	29,826,494
Bond sales (Nov.) .... $	131,418,000 $	4,849,381 $	854,890,929 $	604,986,601
Life insurance sales (Nov.) ...$	35,158,000 $	35,863,000 $	332,836,000 $	342,023,000
Automobile Financing—				
Used cars (Oct.) .... $	1,265,339 $	1,075,877 $	15,937,554 $	12,271,446
New cars (Oct.) .... $	1,096,937 $	930,492 $	19,882,187 $	15,271,867

*D.B.S. All-Canada figure comprising over 90% of the Canadian total. †000's omitted. §For 4 weeks to Nov. 30.

January Investment Suggestions

Our January investment pamphlet lists current offering prices of Dominion of Canada bonds and gives helpful information on a number of public utility and industrial issues.

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Background of Business

Few Budget Changes

No Announcement Till End of Fiscal Year — Select Items in U. S. Trade Pact

With parliament unlikely to meet until mid-February, the prospects are that the budget will not be brought down by Hon. Charles A. Dunning until about the close of the fiscal year—March 31.

Several important considerations are said to militate against an earlier budget. The Tariff Board has now a number of important cases in hand and Mr. Dunning will do his best to await its recommendations. These cases include: gasoline, automobiles, British cottons and artificial silks.

All factors considered, indications are that tariff changes in the first budget of the new parliament will be held down to a minimum. The government proposes to take up with the British government, at the earliest opportunity, the revision of the Ottawa Treaties and, naturally, the tendency will be to make tariff concessions to Britain at the time of this conference and not before it is held.

In matters such as automobiles, gasoline and other commodities which are not of special significance to British manufacturers, this consideration would not operate. Any general revision of the tariff, however, is believed certain to be delayed until 1937.

* * *

Basis of Trade Pact

Since announcement of the United States-Canada Trade Agreement some weeks ago, many business men have been wondering why certain items were not included that had a very close relationship to others that were. For instance in seeds while most of those produced in Canada are granted a reduction of 50 per cent in the American tariff, there are one or two notable exceptions. In this case and in probably a large number of others, the ignoring of certain lines was not an oversight, but was the result of the United States policy in regard to the "most favored nation" clause in its tariff regulations.

Apparently the United States strictly adheres to the policy of granting concessions only on products of which the other country concerned in the agreement is the chief source of supply. If in a certain base year, the bulk of the American imports came from Canada, then that product was eligible for inclusion in the recent agreement.

If the Canadian source of supply was of only secondary importance, apparently any benefit given to Canada on such an item would have had to be extended to other countries entitled to the most favored nation clause. It is understood that this clause has been subjected to considerable attack in United States, and as a result the authorities at Washington were very careful not to grant any concessions to Canada from which other countries would have benefitted to a greater extent.

* * *

Boxing Day

Boxing Day is rapidly coming into favor in Canada. Perhaps the increased tempo of the Christmas rush is in part responsible aided by a natural desire among all Englishmen to honor an Old Country custom.

Thus, the western provinces observed December 26 as a statutory holiday, and Saskatchewan merchants generally agreed on keeping their places of business closed. In Ontario the feeling among merchants was divided, though in most cities (except Windsor) Boxing day was fully or partially observed. Many towns and cities kept the holiday for the first time this year. Quebec and the Maritime Provinces went back at work as usual.

So far Ottawa has refused to take action in a statutory way, federal civil servants getting only half-holidays on December 24 and 31.

In larger cities, such as Toronto, chief observance was by big stores such as the T. Eaton Co., the Robert Simpson Co., Birks-Ellis-Ryrie, etc.. plus many small specialty shops of one kind and another. Provincial government offices were also closed in Ontario.

Boxing Day gets its name from the old custom which started among priests in Rome who hung boxes in churches for people to make their contributions for the needy, the boxes being opened for distribution the day after Christmas Day. It is closely observed in Great Britain as an extra holiday after Christmas Day.

* * *

Gasoline Sales

Few monthly statistics are slower than figures of gasoline sales in various provinces. Ottawa officials are at the mercy of provincial civil servants, which means apparently untold delay.

However, figures for six of the nine provinces are now available for September, permitting a rough estimate of how much gasoline was used on Canadian highways in the first nine months of the year.

Unfortunately, one of the missing provinces is Ontario, which dominates the Canadian motoring picture. Making allowance for this, it would seem that gasoline sales for the period were nine per cent higher than for the same period a year ago.

* * *

New Blue First in Century

The first discovery of a blue pigment for over a hundred years was announced last month says Industrial Britain.

The two blues most widely used at the present time are Ultramarine, discovered in 1704 and Prussian Blue, discovered in 1826.

The new color, which is known as Monastral Fast Blue, was discovered by the chemists of British Dyestuffs, now a subsidiary of Imperial Chemical Industries, Ltd. It is claimed for this new blue that it alone fulfills all the qualifications demanded of a pigment, namely, fastness to light, heat, acids and alkalis, chemical inertia, high tinctorial value and brilliance of shade. Until now blue has been the most difficult color in the whole spectrum range and none has given complete satisfaction owing to its lack of one or more of the qualities mentioned in the preceding sentence. It seems likely, therefore, that Monastral blue will have far-reaching effects on color-using industries generally.

* * *

Credit Conditions

According to Commerce Reports, Washington, collections on current wholesale accounts in Canada continued during November primarily because caution was generally used in extending accommodation. "This was most apparent," says this report, "in grain-growing districts of Western Canada, where reversals in agriculture have restricted rural merchants' capacity to pay. Retail collections were satisfactory in urban areas but slow at country points. Collections in the import trade were good.

"While Canadian credit conditions are generally fair, that status exists primarily because credit is extended after investigation only when capacity to pay and character warrant accommodation. The prevailing policy in Canada is to extend credit for relatively short terms in ordinary transactions."

* * *

Debt Legislation

The Winnipeg Board of Trade has recommended that all provincial debt legislation be eliminated and the question be centralized under the Dominion Bankruptcy Act which should provide for a definite termination date to all debt-adjustment measures in order that usual contractual relationships and credit conditions will be restored.

* * *

Expensive Presents

Many Canadians who sent Christmas presents to relatives or friends in Great Britain are finding that recipients were required to pay duty ranging from 20 per cent to 43 1/3 per cent depending on the type of gift. No special exemptions are made in the United Kingdom on goods coming from Canada, even if they are Yuletide gifts.

The only way of obtaining free entry or the benefit of reduced duty rates for Christmas presents is to accompany them by a certificate of origin signed or completed by the actual producer (not the seller or retailer) of the article in question.

Rates on such things as silk stockings or underwear, for instance—are 43 1/3 per cent. Hand-made woollen articles, shoes, slippers, overshoes, cutlery, or household goods including table or bed linen and towels, are charged 20 per cent. Gloves, leather or fabric, come in at 30 per cent.

* * *

Christmas and Hardware

Christmas business with most hardware dealers exceeded that of last year with marked increases in the sale of silverware, electric appliances, cutlery, and glassware, says Hardware and Metal.

Dealers who stocked a good assortment of toys report brisk business in the line, between December 15 and December 24. Most branches of the hardware trade are looking for a steady climb in their sales volume in 1936.

A prominent executive in the builders' hardware industry is very much encouraged over the prospect and amount of new construction work in sight for the new year. This is one industry which has been particularly hard hit since 1929.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$7.00	$6.50	$6.00
Hogs	9.25	8.85	9.00
Copper, lb.	.09¼	.09¼	.09
Cotton, lb.	.1190	.1190	.1285
Rubber, lb.	.1331	.1318	.1275
Sugar, raw, lb.	.0310	.0310	.0260
Silk, lb.	1.93	1.94	1.42
Wheat (Man.) bus.	.84⅜	.85¼	.79¾
Coffee, lb.	.06½	.06½	.09⅝
Weekly Indices			
N. Y. Annalist	129.6	128.5	118.0
Fishers'	84.0	84.6	78.6
N. Y. Journal of Comm.	81.3	80.2	78.2
Crumps (Brit.)	68.6	68.6	64.3
U. S. Labor	80.4	80.8	76.7
Canada (D.B.S.)	72.9	72.7	71.3

Monthly Indices	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Nov.)	80.6	80.4	79.3
W'sale (Nov.)	72.7	73.1	71.1
U. S. Labor (Oct.)	80.7	80.5	76.5
Gt. Brit. (Oct.)	77.4	75.7	70.5

Note: Indices on all base 1926 = 100. British index is Economist converted to 1927 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price, Toronto: copper—electrolytic, New York: silk—Japanese, 13-15. New York: Sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; select bacons, Toronto.

Provincial Business Gains Revealed by Post Indices

Business in Canadian provinces made general progress in 1935, according to The Financial Post indices.

A fluctuating trend had been shown in the Maritimes for several years but an advance was recorded after April, resulting, in September, in a new high point on the recovery.

A temporary high point was shown in Quebec at the first of the year followed by a recession. No important decline was recorded after the first quarter and an advance of moderate proportions has now been in progress for some months.

Late Gain in Ontario

A decline was also shown in Ontario after the early months of the year but this was mostly offset by the notable advance in November.

The prairie provinces showed real improvement in 1935 reaching a new high point since the latter part of 1930.

The advance was continued during the greater part of the year.

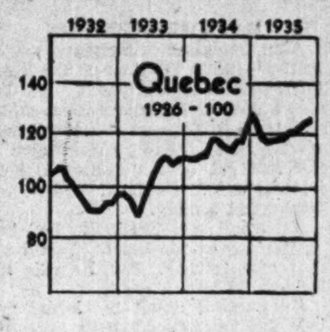
A steady upward trend has been shown in British Columbia since the latter part of 1932. The statistical factors used in this connection indicate that appreciable recovery has been effected. After June the index moved up rather sharply.

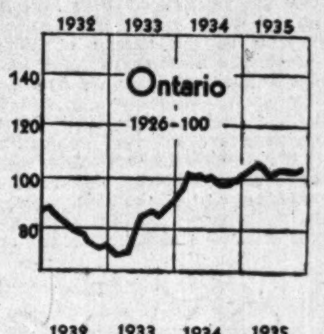
Industrial Revival

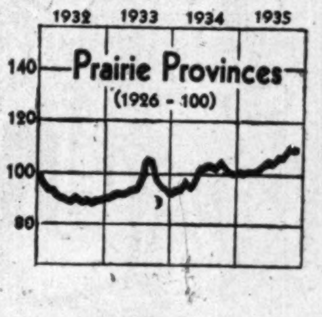
November indices summarized in the accompanying table feature an important advance in Ontario where industrial operations were very active. British Columbia and the prairie provinces maintained previous months figures and Quebec recorded a small advance. The Maritime index declined.

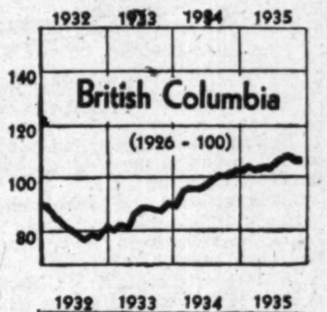
Trend of Business in 5 Economic Areas

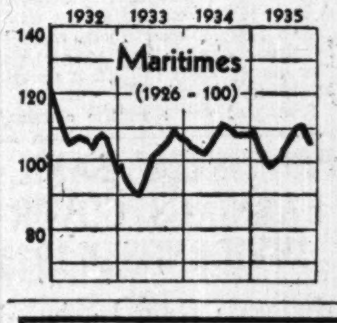
	Nov. 1935	Inc. or Dec. Nov. 1935-34
Maritimes		
Construc. contracts ..$	376,000	— 54.9
Building permits ...$	105,000	+ 14.1
Life ins. sales ...$000	2,300	— 6.7
Bank debits ..$000,000	62.5	+ 31.9
Elec. power .kw.h. 000	43,977	— 26.9
Employment 1926=100	107.5	+ 0.6
Imports ....$	2,926,599	+ 22.1
Exports ....$	5,501,288	+ 10.1
Index	106.9	— 1.4
Quebec		
Construc. contracts .$	2,231,000	— 28.1
Bldg. permits ....$	519,000	+ 5.5
Life insur. sales $000	9,540	— 5.7
Bank debits .$000,000	878	+ 4.6
Elec. power kw.h. 000	1,104,144	+ 1.8
Employment 1926=100	103.8	+ 7.7
Imports of raw cotton ....lb.	13,814,244	— 25.2
Newsprint prod. tons	262,854	+ 9.1
Index	125.7	+ 6.9
Ontario		
Construc. contracts $	4,063,000	— 19.6
Bldg. permits ....$	2,306,000	+ 35.0
Life insur. sales $000	15,599	+ 6.4
Bank debits ..$000,000	1,301	— 13.2
Elec. power kw.h. 000	670,402	+ 27.9
Employment 1926=100	107.0	+ 5.2
Livestock slaughter. 1926=100	103.2	— 8.3
Steel produc. ....tons	94,074	+ 64.9
Auto. produc., ...no.	13,496	+695.3
Index	106.7	+ 8.3
Prairie Provinces		
Construc. contr. ....$	1,132,000	+ 36.9
Bldg. permits ....$	117,000	— 25.0
Life insur. sales $000	4,708	— 19.7
Bank debits ..$000,000	630	+ 10.3
Elec. power kw.h. 000	148,888	+ 21.3
Employment 1926=100	101.3	+ 7.4
Wheat receipts ..bush.	21,043,000	— 10.8
Wheat prices ....$ per bush.	.857	+ 7.7
Index	112.8	+ 10.6
British Columbia		
Construc. contr. ....$	490,000	— 22.5
Bldg. permits ....$	268,000	+ 54.9
Life insur. sales $000	2,620	+ 8.0
Bank debits $000,000	149.9	+ 10.4
Elec. power .kw.h. 000	134,540	+ 6.3
Employment 1926=100	99.3	+ 6.9
Imports ....$	3,527,123	— 9.8
Exports ....$	13,372,361	+ 44.8
Index	108.5	+ 7.4











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The course of study has been completely revised and leads to complete preparation for the Ontario and McGill Matriculation examinations and for admission to the Royal Military College. A school leaving course for boys not planning to enter a University will be instituted in September, 1936, Regular classes are held in Religious Knowledge, Art, Woodwork, Physical Training, Gymnasium Work, Swimming, etc. Monthly reports are issued.

Three Memorial Scholarships, each of the value of five hundred dollars a year and tenable for three years in the Senior School, or two years in the Junior School, are open for competition each Spring. The School is also fortunate in having nine endowed bursaries, the income from which may be used to reduce the fees of boys who need financial assistance.

The Memorial Junior School Building, which has been closed for two years, will be re-opened in April, 1936.

Full information will be sent on request to the Secretary. Lent Term begins on January 8th, 1936.

PHILIP A. C. KETCHUM, M.A. (Cantab), B.A., B.Paed., (Toronto)
Headmaster

G. S. HOLMESTED

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Year-End Valuations and Reports

— A Service to Individuals and Corporations

Our Statistical Department is at the service of both individuals and corporations for "Year-End" appraisal of their security holdings.

Current market quotations, reports and other information of this nature will be gladly furnished on request.

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Many things you do not see are existent, nevertheless. You cannot see the experience and knowledge that go into Levy Bros.' clothing—but they are the principal factors that distinguish it from just ordinary tailoring.

Our distinctive Suitings and Overcoatings await your inspection.

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The Marlborough
In the Heart of the City
Fireproof Construction
European Plan
Rates in Keeping with the Times
220 Rooms

ROYAL BANK OF SCOTLAND
(Incorporated by Royal Charter, 1727)

Capital (fully paid) £ 3,780,192
Reserve Fund ..... £ 3,780,926
Deposits £58,944,630

General Manager
William Whyte

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Associated Bank: Williams Deacon's Bank Ltd.
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TORONTO

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Bank Chat

Bank Earnings

WITH all but two or three of the Canadian banks to hear from, earnings for the 1935 financial year have in general been slightly, but very slightly, under 1934 figures.

That this decrease has not been substantial is due to the lower interest paid on deposits during the past year. Gross earnings from loans and investments have dropped so markedly that even this saving could not forestall a small reduction from the previous year. In most instances, additions to surplus, after dividends, were small.

Whether dividends will be maintained, or increased, during the year just begun, is dependent largely upon the course of security holdings and loans.

With the enormous dammed-up supply of funds, prospects for any considerable rise in the cost of money do not appear bright. Bank executives, however, seem to feel that the low point of commercial loans has been reached and that some increased business from this source may be anticipated. If the past year's trend from loans into securities is extended, expenses would again have to be pared, possibly through still another cut in deposit interest rates.

Any expansion in bank advances is likely to be very gradual. Lower commodity prices, very liquid working capital position of a number of large industrial concerns, and low bond interest rates which may encourage refunding, are among the factors which bankers have to face.

* * *

Credit to Merchants

THE belief has been held in many Canadian centres that if retail merchants could go to a bank and obtain larger lines of credit they would then be heavier purchasers of goods at wholesale. The argument continues that business would thus be speeded up.

To this contention Sir Edward Beatty made a most effective reply in a recent speech before a representative group of commercial travellers. "Do you wish to sell goods to merchants merely because they can be persuaded to buy them?" he asked. "As things stand at present, most manufacturers and large commercial houses in this country are able to obtain all the credit accommodation they need to enable them, in turn, to sell goods to established merchants on reasonable terms of payment.

"Would it be good business for a general increase to take place in merchants' borrowing from banks?

"How many of you know of cases where merchants were kept from buying goods because their own line of credit was too small?

"Has it not in your experience been almost always the case that the merchant could get the goods, provided he could show you, and you could show the credit men, that he had a reasonable prospect of selling them in a reasonable time and at a profit?

"Beyond this limit nothing could be worse for this country than that merchants should buy goods as a result of finding it easier to obtain credit."

* * *

Haiti's Gourde

HAITI'S standard coin, the gourde, can claim a most colorful birth. Soon after the abolition of slavery on the island, the king of one of the two sections into which it was divided began to look about for possible avenues of foreign trade. But the country was bankrupt and the first need was a currency system.

The islanders were largely dependent on wild produce, primitive huts and abundant food requiring little in the way of heavy toil. For utensils, bowls, spoons, bottles and so on, the blacks made use of the fruit of the gourd vine, scraped free of seeds. As J. W. Vandercook puts it in his book "Black Majesty," "If there was such a thing as an irreplaceable necessity in the careless life of the peasants, it was the gourd . . . Gourds were useful but they soon wore out."

A decree was issued declaring every green gourd in that section of the island to be state property. The state began the task of collecting the "cash," and before long had accumulated some 227,000 green gourds and calabashes in the "treasury." A value of 20 sous was placed on each.

When the coffee crop was ripe, the peasants brought their produce to the government, which bought it at the current market price, paying out gourds, which were badly needed, in exchange. The coffee was then resold to European merchants for gold. Before a year had passed, Haiti had a stable metal currency. However, to this day, the standard coin of the country is called gourde.

* * *

Blacksmith Coins

CANADA herself is not without interesting incidents in the history of her coinage. Even apart from the Indian media of exchange, which have been the subject of much comment, there have been such coins as the "blacksmiths." In the early days of the country, minting of coins was sometimes done by blacksmiths. The story goes that in Montreal, a blacksmith who was given to an occasional "binge" made use of the privilege entirely outside the law. Whenever he wished to celebrate and found himself short of funds, he would adopt the expedient of making up a few coins to provide the wherewithal.

The coins were often very crude, in some instances the mold being reversed. That is, the maker would overlook the fact that the design in the mold would be completely turned about on the coin itself.

Bank Credit and the Depression

Ottawa's Monthly Statement Refutes Remford Manufacturer's Argument That Banks Have Restricted Credit During Lean Years — Loan Government by Extensive Buying of Bonds

By PETER THOMSON

Alan Campbell lit a cigarette as he leaned against the door of the Remford Grand Opera House. It was also a door of the fire station, police station, court house and town hall. With others he had just emerged in the interval of the annual benefit festival of the Remford Choral and Orchestral society.

Campbell was tired. He had had a long day at the bank. He did not feel like talking. But he was not long to be left in peace.

He glanced down the lobby and into the theatre. Absently he noted on the house curtain the picture of Psyche at the throne of Venus. Amidst the undressed figures which the local sign painter had curved on the canvas suddenly appeared the rotund figures of Edward P. Marks, chewing a cigar. As Campbell reflected that such surroundings would have pleased Marks, the manufacturer's eye lit on the bank manager. In it Campbell saw the same glint which always appeared in the eyes of Tammy, his cat, when that solemn animal regarded the goldfish bowl on the living room table.

Marks marched over to the banker. Without taking the cigar from his mouth he remarked: "Well, Campbell, how are you?"

"A little tired tonight, Mr. Marks. A little tired. I've had a busy day."

"It's just too bad if our bankers get tired," replied the manufacturer, "for money alone sets all the world in motion."

"I'm glad you read the classics," said Campbell, recognizing the quotation.

"I ah . . . . I ah, dip into them occasionally," Marks admitted. The dipping had occurred at dinner that night when Alice, his 22-year-old daughter, had used the phrase in making a point. But such waters were a little deep for Marks. Hastily he went on: "And that's why I feel you bankers have lengthened the depression by curtailing credit."

Campbell sighed. "But we haven't curtailed credit," he responded, "You yourself agreed the other day that it was a fortunate thing that the banks had to buy government bonds during the depression because these purchases brought about the reduction in mortgage interest rates and made the tax burden easier for everyone."

"Yes, yes," answered Marks, "but look at the way the banks have reduced their loans to industry. With prices as they are I know the banks could not lend as much on wheat, or timber or anything else. But still, credit has been curtailed."

As Marks spoke the two men were joined by Joselin, a newspaperman. They nodded to him. Joselin had an amused expression on his face. "Say!" he said to Marks, "you're wrong. Absolutely wrong. Bank credit has not declined at all during the depression. Why right now the total the banks have loaned to business plus the amounts they have loaned governments by buying bonds is higher than at this time in 1929."

"But that does not include the amounts loaned to brokers," mentioned Campbell.

"Sure, but brokerage loans don't affect business and credit conditions anyway," said the newspaperman. "The fact remains that all through the depression the total of the sums the banks provided business and governments varied only by about 10 per cent whereas the dollar value of the total business done in the country fell off by more than fifty per cent. I don't like bankers much, Marks, but you must stick to facts."

"But I won't take the financial facts from a sporting editor." Marks smiled to take away the sting from his remark

"I thought you were the dramatic editor, Joselin," said Campbell.

"As a matter of fact," answered the journalist, flicking his cigarette away, "I'm both. I write up the movie shows under the name of Paul Devere. I write the sporting page under the name of Al Sinclair. But I also make up the financial column. So I'm the financial editor too."

"Well, what of that?" said Marks. "There is never more than a column or a column and a half of financial news a day.

"It just happens that Ottawa sent out the monthly bank statement yesterday. This morning I compared the figures with those of other years and I found . . . ."

The single usher of the Grand Opera House entered the lobby. "Curtain," he said, "Curtain."

The three men moved into the auditorium. As he walked towards his seat, Campbell reflected that he had been too quick in forming his opinions. "After all," he thought, "'The Daily Bee,' 'The Voice of Remford,' does serve a useful purpose."

Alan Campbell, Remford banker, will continue his explanations in The Financial Post, dealing in an early issue with the creation of money.

DRIVER—"HEY, A LITTLE MORE STEAM HERE."
FIREMAN—"GET A LITTLE MORE LOAD FIRST."

PROVINCIAL BANK EARNINGS COVER DIVIDENDS IN 1935

Moderate Gain Indicated in Deposits — Higher Investments

From Our Own Correspondent

MONTREAL.—A minor decline in net profits for the year ended November 30, 1935, is reported by the Provincial Bank of Canada, which operates largely in Quebec. The balance sheet, on the other hand, indicates an increase in assets, reflecting a gain in deposits.

Profits last year totalled $400,843, which was sufficient to take care of dividends at the regular rate, plus an appropriation of $40,000 for contingency account. In the previous year profits totalled $470,366, the balance after all charges amounting to $35,666.

Profit and loss account figures for the past two years follow:

Income and Surplus Account
Year Ended Nov. 30

	1935 $	1934 $
Net profit	400,843	417,366
Less: Dividends	240,000	240,000
Res. for premises	40,000	40,000
Tax reserve	99,000	101,700
Surplus	21,843	35,666
Brought forward	285,741	300,075
Less: Prov. for conting.	50,000	50,000
Carried forward	257,584	285,741

Total assets at the close of the past fiscal year amounted to $49.7 millions as compared with $46.8 millions on the like date of last year. Interest and non-interest bearing deposits show an increase in the aggregate of around $3.8 millions.

Among assets, short loans show a small reduction, while holdings of government securities increased from $19.7 to $20.8 millions. Call loans remained practically unchanged.

Quickly realizable assets amounted to $32.6 millions as against $29.1 millions a year ago. This gave "quick asset ratio" of 70 per cent, as against 67 per cent in 1934.

Comparative Balance Sheet
As at Nov. 30

	1935 $	1934 $
Assets		
Cash	3,750,854	3,628,180
Dept. other banks	3,646,422	708,535
	7,397,276	4,336,715
Govt. secs., etc.	20,792,775	19,734,074
Call loans	4,264,033	4,825,943
Circ. red. fd.	200,000	195,400
	32,654,084	29,089,132
Current loans	13,830,955	14,515,406
Real estate, etc.	3,120,572	3,115,523
Other assets	141,108	79,821
Total	49,746,719	46,799,882
Liabilities		
Int. bearing dep.	34,846,473	32,134,052
Non-int. bearing dep.	5,792,141	4,659,252
Notes in circ.	3,755,322	3,984,387
Due other banks	....	30,907
Adv. Fin. Act	....	600,000
Letters of credit	29,125	29,675
Other items	....	12,052
Total public liabs.	44,425,062	41,450,325
Divids. declared	64,073	63,817
Capital	4,000,000	4,000,000
Reserve	1,000,000	1,000,000
Surplus	257,584	285,740
Total	49,746,719	46,799,882

Staff Changes

The Bank of Montreal has made the following staff changes:

J. H. CANTELON, formerly at superintendent's department, Toronto, to be manager at Ridgetown.

J. W. WALLACE, formerly manager at Ridgetown, to be manager at Weston.

F. A. MACLEAN, formerly manager at Weston, to be manager at Tilbury.

G. D. LITTLE, formerly manager at Tilbury, to superintendent's department, Toronto.

The Imperial Bank announces that as from January 2, 1936, the branch now known as King & Bay Sts., Toronto, branch, will be known as "Toronto Branch." A. R. MARTIN will be manager, A. H. SEGUIN joint manager and J. S. PROCTOR, assistant manager. E. A. BONYUM continues as accountant at the new Toronto Branch and W. J. ARNOLD has been appointed accountant at Wellington & Leader Lane branch, Toronto.

Bank Statements

Banque Can. Nationale

The general statement of Banque Canadienne Nationale as at Nov. 30, 1935, shows a sharp increase in deposits and in government security holdings over the preceding year as outlined in last week's issue of The Financial Post. The flow of deposits into these securities rather than into commercial loans was instrumental in slightly reducing the bank's earnings for the year.

General Statement
As at November 30

	1935 $	1934 $
Assets		
Gold held in Can.	268	908113
Sub. coin in Can.	436,358	
Sub. coin else.	49	
Notes, Bk. of Can.*	2,775,124	5,737,581
Dep., Bk. of Can.†	6,469,224	....
	9,681,023	6,645,694
Notes of other bks.	336,450	310,260
Cheques on other banks	4,671,458	4,199,319
Govt. & bk. notes‡	47,226	55,309
Dep. & bal. due.▲	1,040,389	256,067
Due by banks else.	1,513,895	1,119,398
Call & short loans in Can.°	5,823,124	5,015,564
	13,432,542	10,965,917
Govt. sec. short term•	10,552,807	8,806,457
Other govt. secs.•	21,198,696	16,561,562
Can. munic. secs.•	15,247,898	18,903,647
Pub. sec. other than Can.•	436,322	293,537
Other bonds & stks.•	5,981,158	3,353,412
	53,416,881	47,918,615
Total quick assets	76,530,446	65,520,226
Curr. loans in Can.	33,304,295	38,659,586
Curr. loans else.	69,223	54,145
Loans to prov. govt.	2,402,198	4,431,122
Municipal loans	11,009,579	9,663,028
Non-curr. loans	296,436	306,909
	47,081,731	53,114,790
Bank premises	6,113,331	6,154,129
Real estate	1,451,412	1,228,718
Mortgages	408,076	409,442
Lets. of credit	473,477	328,912
Dep. re note cir.	380,506	369,424
Other assets	135,277	70,007
	8,962,079	8,560,632
Total assets	132,574,256	127,195,648
Liabilities		
To the Public		
Circulation	6,486,429	7,132,649
Govt. advances	....	2,500,000
Dep. by Dom. Govt.	678,749	663,314
Dep. by Prov. Govt.	1,139,858	1,339,553
Deposits by public:		
Non-int. bearing	15,279,842	12,991,114
Interest bearing	95,132,557	88,884,746
To bank abroad, etc.:		
Foreign banks	252,587	225,440
Letters of credit	473,477	328,912
To Can. banks	510,321	762,115
Bills payable	82,518	....
Sundry liab.	165,213	....
	120,201,551	114,827,843
To the Shareholders		
Dividends	144,845	143,735
Reserve	5,000,000	5,000,000
Capital, paid-up	7,000,000	7,000,000
Surplus	227,860	224,070
	12,372,705	12,367,805
	132,574,256	127,195,648

*Prior to 1935, shown as "Dominion notes."
†Prior to 1935, shown as "Deposit in central gold reserve."
°Not exceeding 30 days, on securities of a sufficient marketable value to cover.
•Not exceeding market value.
▲By other banks in Canada.
‡Other than Canadian.

Royal Bank

The general statement of the Royal Bank of Canada, featuring a marked expansion in investments, in non-interest bearing deposits and in total assets, as referred to in last week's issue of The Financial Post, is as follows:

GENERAL STATEMENT
As at Nov. 30

	1935 $	1934 $
Assets		
Gold in Can.	2,483	11,753,029
Subs. coin in Can.	1,205,898	
Gold elsewhere	3,032,551	
Subs. coin elsewhere	4,192,878	
Bk. of Can. notes*	6,341,885	63,174,883
Bk. of Can. deposits†	55,188,786	3,000,000
	69,964,481	77,927,912
Other bank's notes	1,591,585	1,871,856
Other bank's cheques	20,376,178	21,994,944
Govt. & bk. notes other than Can.	18,688,449	17,849,226
Due by Can. banks	2,130	2,190
Due by other banks	47,007,220	46,037,403
Can. call loans	26,328,679	23,430,646
Other call loans	19,216,858	29,907,054
	133,211,099	141,092,819
Govt. sec. short term•	60,731,911	69,832,406
Other govt. secs.•	127,480,130	56,663,110
Municipal secs.•	8,115,253	6,724,973
Can. public secs.•	13,125,914	17,487,896
Other bonds & stks.•	11,005,093	12,443,171
	220,498,301	163,151,556
Total quick assets	423,673,881	382,172,287
Current loans	217,124,162	226,942,028
Prov. loans	354,780	
Municipal loans	9,257,792	
Current loans else.	98,189,967	95,616,159
Non-current loans	3,894,715	4,224,348
	328,821,416	326,782,535
Bank premises	16,043,798	16,833,331
Real estate	3,016,220	2,681,571
Mortgages	819,173	821,333
Letters of credit	22,026,377	20,763,758
Shs. in controlled cos.	4,468,947	6,313,081
Other assets	449,888	456,009
Dep. re inc. fund	1,600,000	1,600,000
	48,424,403	49,469,083
Total assets	800,919,700	758,423,905
Liabilities		
Circulation	32,568,426	33,221,807
Advs. under Fin. Act	....	9,000,000
Deposits by & bal. due:		
Dom. govt.	7,915,162	3,659,842
Prov. govts.	15,444,455	11,072,430
Deposits by public:		
Non-int. bearing	194,257,143	124,452,971
Interest bearing	461,268,434	488,126,483
To Can. banks	559,099	1,286,382
To foreign banks	8,922,220	8,881,103
Bills payable	251,681	294,607
Letters of credit	22,026,376	20,763,758
Other liabilities	383,859	445,527
	743,596,855	701,204,910
Dividends	713,290	712,190
Reserve	20,000,000	20,000,000
Capital	35,000,000	35,000,000
Surplus	1,609,555	1,506,805
	57,322,845	57,218,995
Total liabilities	800,919,700	758,423,905

*Shown as "Dominion notes" prior to 1935. †Shown as "Deposit in central gold reserve" prior to 1935. •Not exceeding market value.

Weekly Bank Clearings

	Dec. 26 1935 $	Change yr. ago %	Dec. 19 1935 $
Halifax	1,982,547	+ 9.5	2,216,628
Saint John	1,370,940	— 0.9	1,695,374
Sherbrooke	516,477	+ 2.9	593,339
Quebec	3,867,950	— 0.9	4,352,364
Montreal	80,066,312	+ 0.1	92,771,290
Ottawa	16,154,856	+297.0	16,972,571
Toronto	100,859,857	+ 17.3	123,859,202
Hamilton	3,684,417	+ 17.4	4,823,743
Kitchener	1,021,327	— 7.2	1,167,878
Brantford	948,848	+ 34.8	1,010,307
Windsor	2,340,109	+ 31.2	2,935,607
Sarnia	477,578	+ 20.7	534,657
London	1,947,174	— 7.3	3,206,701
Moncton	651,293	— 14.6	905,014
Chatham	526,148	— 0.8	659,794
Kingston	385,669	— 19.7	572,486
Peterborough	586,120	— 5.3	708,882
Sudbury	641,716	— 18.5	806,395
Fort William	549,391	— 22.3	681,902
Brandon	223,487	— 9.7	323,963
Regina	2,934,605	+ 24.6	4,484,237
Moose Jaw	452,288	+ 18.1	686,236
Prince Albert	221,336	+ 5.6	341,320
Edmonton	2,681,078	— 31.3	4,331,539
Medicine Hat	288,857	+ 44.2	279,300
Calgary	4,408,114	+ 7.6	6,928,007
Vancouver	12,274,347	+ 2.6	16,639,843
Victoria	1,460,169	+ 42.1	1,660,993
N. W'minster	612,081	+ 53.3	582,075
Lethbridge	562,570	+ 20.0	532,853
Winnipeg	40,026,367	+ 27.6	68,465,318
Saskatoon	1,097,240	+ 7.9	1,634,154

F. Gordon Osler Heads Can. Permanent Trust Co.

The Canada Permanent Trust Co. has made three senior appointments.

F. Gordon Osler, senior partner in the firm of Osler & Hammond, and recently appointed president of the Canada Permanent Mortgage Corp., is the new president, succeeding the late W. G. Gooderham.

J. A. Rowland and E. D. Gooderham have been appointed first and second vice-presidents, respectively, offices which they also hold in the

BANK OF TORONTO SHOWS EARNINGS ABOVE YEAR AGO

But Higher Taxes Bring Year's Surplus Slightly Lower

The Bank of Toronto reports higher net profit in 1935 than in the previous year. Although the increase was small, from $1,106,503 to $1,119,135, it marks the first exception to the succession of small reductions from 1934 earnings which have been shown by Canadian banks this year.

An increase of $29,000 in Dominion and provincial taxes however, left surplus for the year slightly below a year ago. Per share earnings before taxes and appropriations for pension fund and premises were $18.65, as against $18.44 in 1934. After making these charges the corresponding figures were $13.11 and $13.37.

Income and Surplus Account
Years Ended Nov. 30

	1935 $	1934 $
Net profit*	1,119,135	1,106,503
Less appropriations:		
Dividends	600,000	600,000
Pension fund	80,000	80,000
Premises	100,000	100,000
Dom. & prov. taxes	232,743	204,004
Surplus for year	106,392	122,499
Add: Prev. surplus	737,173	614,674
Bal. carried for'd.	843,565	737,173

*After expenses of management, provision for bad and doubtful debts, interest accrued on deposits and rebate on discounts.

The general statement illustrates the trend of investment away from loans and into securities. Although total assets are up $6.8 millions from a year ago, security holdings show an increase of $12.4 millions, the main item in which was a rise of $11.4 millions in government debentures of longer than two-year maturities. On the other hand, loans in Canada are lower. Call loans dropped $2.3 millions and current and municipal loans slightly more. Letters of credit show an increase.

Effects of Bank of Canada

Cash items declined during the year and are shown in the statement giving effect to the setting up of the Bank of Canada. Bank of Canada notes and deposits shown at $1.5 millions and $9.2 millions, respectively, have replaced the items of $10.4 millions and $1.2 millions shown last year as Dominion notes and deposit with the Central Gold Reserves. Other liquid assets, apart from securities, are also lower by $2.5 millions compared with the 1934 statement.

In the liabilities the increase in assets is reflected in an advance in deposits of about $7.5 millions. Most of this advance was in non-interest bearing public deposits. Note circulation declined from $6.5 millions to $5.3 millions.

The profit from revaluation of gold, estimated at $229,027, is not shown in the statement, being allocated to internal reserves.

General Statement
As at November 30

	1935 $	1934 $
Assets		
Gold in Canada	490	411,834
Sub. coin else.	203,954	
Notes, Bk. of Can.†	1,451,980	10,386,338
Dep., Bk. of Can.‡	9,161,131	1,230,867
	10,817,555	12,029,039
Notes of other bks.	347,660	412,565
Cheques on other banks	6,169,996	5,832,854
Govt. & bk. notes*	50,623	29,234
Due by bks. else.	2,842,378	3,311,515
Call loans in Can.	3,329,505	5,652,059
	12,740,162	15,238,227
Govt. sec. short term	7,056,709	7,471,848
Other govt. secs.	33,693,736	22,288,067
Municipal secs.	5,296,876	5,365,930
Public secs.	37,554	
Other bonds & stks.	1,857,308	410,871
	47,942,183	35,536,716
Total quick assets	71,499,900	62,803,982
Current loans	45,047,641	52,267,133
Municipal loans	4,813,725	
Non-curr. loans	261,952	322,272
	50,123,318	52,589,405
Premises	3,510,975	3,595,625
Mortgages	47,814	49,282
Lets. of credit	1,401,882	798,048
Dep. re cir. fund	335,034	325,276
	5,295,705	4,768,231
Total assets	126,918,923	120,161,618
Liabilities		
To the Public		
Circulation	5,279,985	6,465,239
Govt. advances	....	1,500,000
Dep. by & bal. due:		
Dom. govt.	1,690,692	705,412
Prov. govt.	1,334,326	1,186,531
Deposits by public:		
Non-int. bearing	18,605,875	14,316,918
Interest bearing	79,634,586	77,504,866
To banks in Canada	1,343,755	870,846
To banks abroad, etc.:		
Foreign banks	1,457,672	925,618
Bills payable	174,519	....
Letters of credit	1,401,882	798,048
	110,923,292	104,273,478
To the Shareholders		
Divds., bonus, etc.	152,068	150,967
Reserve	9,000,000	9,000,000
Capital	6,000,000	6,000,000
Surplus	843,565	737,173
	15,995,633	15,888,140
	126,918,925	120,161,618

*Other than Canadian.
†Shown as "Dominion notes" prior to 1935.
‡Shown as "Deposit in central gold reserve" prior to 1935.

Bank of Canada Weekly Statement

Changes in last week's Bank of Canada statement include a seasonal increase in note issue of $3.5 millions, a net drop in deposits of $1.6 millions and an increase in sterling reserve of $2.8 millions.

Balance Sheet

	Dec. 24 $	Dec. 18 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	98,654,683	95,102,316
Dep.: Dominion	34,552,705	32,799,842
Banks	180,265,690	183,734,113
Other	1,190,912	1,087,916
Total deposits	216,009,307	217,621,871
All other liabs.	94,131	250,146
Total liabs.	319,758,121	317,974,333
Assets		
Reserve: Gold	180,824,115	181,164,440
Silver bullion	1,318,892	1,480,389
Res. in sterling	5,654,746	2,805,024
Res. in U. S.	8,624,113	9,568,028
Res. elsewhere	11,656	8,440
Total reserve	196,433,522	195,026,321
Subsidiary coin	133,875	209,050
Adv. to govt.	2,220,625	2,219,938
Investments:		
Dom. govt. short	35,091,073	35,062,940
Other Dom. govt.	83,404,132	83,404,132
Total invest.	118,495,205	119,467,072
Premises	128,449	128,449
All other assets	2,346,445	1,923,503
Total assets	319,758,121	317,974,333
Reserve ratio	62.42%	62.36%

Windsor Asks Provincial Bank

The finance committee of Windsor's civic administration has approved a resolution asking the Ontario government to establish a branch of the Provincial Savings Bank in that city.

Industrial Mortgage Co. Acquires Crown Savings

The Industrial Mortgage & Trust Co. of Sarnia will take over the Crown Savings & Loan Co. of Petrolia upon ratification of an agreement made between directors of the two companies, it has been announced. The Petrolia office of the Crown Savings will be continued as a branch of the Industrial Mortgage & Loan.

Crown Savings & Loan Co. was established in 1877. As at Dec. 31, 1934, it had total assets of slightly over $600,000, of which $516,000 was in mortgages, all in Ontario. Debentures of the company outstanding amounted to about $225,000 and about $42,700 was shown in the statement as public deposits.

The Industrial Mortgage & Trust Co. was originally incorporated in 1887 as a building society and secured trust powers only a few years ago. At the end of 1934 it reported total assets of $5.1 millions, deposits of $985,000 and investment certificates outstanding of $1.9 millions. It is understood that business of the company showed an increase in all departments in 1935.

Dividend of $1 a Share Paid by Chartered Trust

The Chartered Trust and Executor Co. has declared a dividend of $1 a share on the common stock. Payment will be made Jan. 2, 1936, to shareholders of record Dec. 28.

The last dividend paid by the company was a quarterly distribution of $1 a share in January, 1933. Prior to October, 1932, dividends were paid at a rate of six per cent a year.

GLOBE ENVELOPES
Makers of Well Gummed Envelopes
550 ADELAIDE STREET WEST·TORONTO

CANADA CEMENT COMPANY LIMITED

Annual Report of the Board of Directors

TO THE SHAREHOLDERS:—

Your Directors present herewith a statement of the affairs and financial position of your Company for the fiscal year ending November 30, 1935.

The volume of cement sold in Canada during the year just closed was slightly lower than in the previous year. There was considerable improvement in the use of cement for buildings and small uses, but on the other hand there was a falling-off in road and street paving and in municipal work generally. While the increase in the one and the decline in the other nearly balanced, there was, on the whole, a small decrease in consumption.

The statement presented herewith reflects the condition of the industry during the year, showing, as it does, very little change from the previous year's statement. The Gross Earnings were sufficient to pay Bond Interest and Exchange amounting to $1,038,913.26 and to provide for Depreciation of Plant Account to the extent of $1,000,000, leaving a small balance to be carried forward to Surplus Account. Earnings were not sufficient during the year to justify any payment on the Preferred Stock and dividends therefore accrued for the year.

The set-up of the Balance Sheet has been somewhat changed from the previous year, in that now all the subsidiary companies' accounts have been consolidated in the Balance Sheet, with the exception of the St. Lawrence Land Company, which owns the Canada Cement Building. The outstanding Bonds and Securities of all subsidiaries, other than the St. Lawrence Land Company, have now been redeemed, making it possible to bring them all, with this exception, into the Consolidated Statement.

It is difficult in times like these to make forecasts. Nevertheless, it is true that the construction industry in the other countries of the world, outside of Canada, is showing considerable activity, in some countries reaching boom conditions. It would seem, therefore, that at least a moderate revival of the industry, particularly in private building, is overdue in Canada. It is not expected that progress will be rapid, but there are indications of a turn towards improvement.

Your Company, you will note, has well maintained its liquid position and we trust that, under the circumstances obtaining in the industry, the results of the year's operations will prove satisfactory to you.

Respectfully submitted on behalf of the Board of Directors,

J. D. JOHNSON,
President.

CONSOLIDATED BALANCE SHEET—NOVEMBER 30, 1935

ASSETS

CURRENT ASSETS:			
Inventories as determined and certified to by the Management and valued at or below cost which is below market		$ 1,378,437.52	
Accounts Receivable (less Bad Debt Reserve):			
Customers' Accounts	$313,639.31		
Other Accounts	26,364.02		
		340,003.33	
Loans to Employees for purpose of purchase of Company's Shares		6,302.46	
Deposits on Tenders		3,000.56	
Securities deposited with Workmen's Compensation Commission		5,000.00	
Government Bonds (Market Value $1,616,395.00)		1,570,515.63	
Cash		1,154,539.79	
			$ 4,457,799.29
INVESTMENT IN AND ADVANCES TO ST. LAWRENCE LAND COMPANY: (Owning the Canada Cement Building and other Properties):			
Shares (the total issue) less amounts written off		$ 28,174.34	
Advances		705,747.55	
			733,921.89
OTHER INVESTMENTS:			
Company's Own Bonds (at par)		$ 371,000.00	
Miscellaneous Investments at book value, less amounts written off		60,034.50	
			431,034.50
UNEXPIRED INSURANCE, PREPAID TAXES AND OTHER PREPAID EXPENSES			75,684.63
PROPERTY ACCOUNT:			
Land, Buildings, Plant and Equipment, etc., as appraised by Messrs. Ford, Bacon & Davis, Inc., on the basis of commercial value at September 30, 1927, $38,267,500.00, with the cost of subsequent additions, and acquisitions, less Depreciation written off			40,766,456.38
			$46,464,896.69

LIABILITIES

CURRENT LIABILITIES:			
Accounts Payable		$ 294,628.45	
Bond Interest Accrued		78,187.10	
Provision for Dominion, Provincial and Other Taxes		66,129.44	
			$ 438,944.99
RESERVES:			
Fire Insurance		$ 750,000.00	
Extraordinary Repairs and Renewals		175,000.00	
Cloth Sacks Outstanding		150,000.00	
Industrial Accidents		59,600.00	
Contingent Reserve		250,000.00	
			1,384,600.00
FIRST MORTGAGE SINKING FUND GOLD BONDS 5½% SERIES "A" DUE 1947:			
Authorized	$30,000,000.00		
Issued		$20,000,000.00	
Less: Redeemed through Sinking Fund		2,941,000.00	
			17,059,000.00
PREFERENCE SHARES — 6½% SINKING FUND CUMULATIVE SHARES OF $100.00 EACH REDEEMABLE ON SIXTY DAYS' NOTICE:			
Authorized (of which $21,000,000.00 has been issued)		$25,000,000.00	
Outstanding			20,086,900.00
NOTE: No dividend has been paid since May 31, 1932.			
PREFERENCE SHARES REDEMPTION RESERVE			55,900.00
COMMON SHARES:			
600,000 Shares of No Par Value, out of an authorized issue of 750,000 Shares, issued at the incorporation of the Company in 1927			6,403,904.75
EARNED SURPLUS:			
Profit and Loss Account for the year ending Nov. 30, 1935:			
Profit from Operations		$ 2,015,010.24	
Interest, including interest on the Company's holdings in its own Bonds		178,140.80	
		$ 2,193,151.04	
Deduct: Bond Interest and exchange thereon		1,038,913.26	
		$ 1,154,237.78	
Deduct:			
Depreciation written off Property Account	$1,000,000.00		
Premium paid on Bonds purchased for Redemption	20,759.18		
Executive Remuneration	65,162.00		
Directors' Fees	9,690.00		
Legal Expenses	1,463.29		
Provision for Dominion and Provincial Income Taxes	19,470.00		
		1,116,544.47	
		$ 37,693.31	
Adjustments in respect of prior years		52,658.81	
		$ 90,352.12	
Balance of Surplus, November 30, 1934		945,294.83	
			$ 1,035,646.95
			$46,464,896.69

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the books and accounts of Canada Cement Company Limited and its Subsidiary Companies for the year ending November 30, 1935, and have obtained all the information and explanations which we have required. The above Consolidated Balance Sheet at November 30, 1935, includes the assets and liabilities of National Cement Company and other Subsidiary Companies, but does not include the assets and liabilities of St. Lawrence Land Company, the Company's interest in which is carried under the heading of Investments; and we report that, in our opinion, the Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the Company's affairs before making full provision against the year's operations for depreciation of Plant and Equipment, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

In accordance with Section 114 of the Companies' Act, 1934, we report that the profit of St. Lawrence Land Company has not been taken up in the above statement, but is carried forward on the books of that Company.

PRICE, WATERHOUSE & CO.,
Auditors.

Montreal, December 19, 1935.

APPROVED ON BEHALF OF THE BOARD:
J. D. JOHNSON, Director.
H. L. DOBLE, Director.

THE FINANCIAL POST

SECOND SECTION

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The New Germany

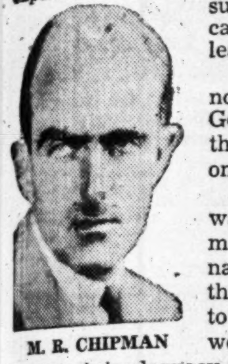
Peace or War?

Future Development of Hitler's Germany Depends Upon Friendly Co-operation of Other Nations

BY MURRAY R. CHIPMAN

Do the German people want war?

I should say that the answer is clearly in the negative. Their experience of the last war and its aftermath is decidedly against such a wish. But this does not prove that they cannot be led by propoganda into war if their leadership so decides.



M. R. CHIPMAN

And there is another "if." Should there be no political or economic co-operation with Germany aggression might break out with the responsibility for such placed squarely on the shoulders of the other nations.

There are certain things that Germany wants which are considered reasonable demands. She wants equality in the family of nations which was taken away from her by the Treaty of Versailles. She wants the right to have colonies if she so decides, and here we should recall that the Treaty implied Germany's inadequacy in colonial administration, suggesting that she exploited rather than wisely promoted her colonial areas.

German Desires

In this connection the Evergreen wreaths encircling the ten lost colonies the names of which are engraved on the façade of the Field Marshal's Hall in Munich, are a symbol of Germany's wishes and probable intentions.

Germany also asks the de-internationalization of her rivers, the Elbe and Oder.

As Herr Hitler told Anthony Eden last May, the above wants are an integral basis of Germany's return to the or a League of Nations.

Together with the absence of certain raw materials, if these wants are denied, Germany may easily be transferred into a country that demands these things when her men and materials are ready.

German Threat

The German is a three-dimensional person. He combines strong sentiment, which expresses itself in music, art, and religious longings. He has the powers of concentration which expresses itself in inventive and industrial genius. And he is a disciplined person who not only accepts authority but is lost without it, as is evidenced by the chaos in the Republican years and the apparently willing loss of democratic freedom to the authority which Hitler represents.

These three qualities of sentiment, concentration and willingness to be disciplined, can be magnificent in peace or in war.

As one well-informed German put it to me: "Peace in Europe depends on the question of race, raw materials—and inferiority." This latter point is profoundly significant and refers specifically to Germany and to Italy. We of the British Commonwealth perhaps do not realize clearly the effect of the "sense of inferiority" apparent in a nation of Germany's cultural and military traditions which is asked to "stay put" in its inferiority.

When the desire to escape from this mirrors itself in a Mussolini's dreams of a new Roman Empire, a sense of personal inferiority is not liable easily to give up that dream.

Colonial Empires

My informer went on thus: "Whether the question of race, raw materials and inferiority is solved peacefully or not, depends on the viewpoint of the great colonial empires which have both territories and raw materials." Here the reference is to England and to France and the United States and Russia can be included, because these four countries command and control the world's basic raw materials.

He went on, "You see, we still live under the mistakes of the Treaty of Versailles. The time will come soon to replace this stupidity for one thing with a German-French entente."

Franco-German Agreement

To us, a rapprochement between Germany and France seems impossible but recent evidence seems to make it a greater possibility. One active and creative worker in this cause is Herr Von Ribbontrop, Hitler's personal special ambassador, who negotiated the recent bi-lateral naval agreement with England.

I had an appointment with Herr Von Ribbontrop which unfortunately had to be cancelled by him and since I left the next day, it was impossible to remake it. He is a man in his forties whom it will interest Canadians to know has also some Canadian background. I have learned since my return that he was known to friends of mine both in Quebec and in Ottawa before the war.

Today he is a successful business man whose fortune, coupled with that of his wife, makes him financially independent. He has had extensive contacts with the French through his wine business. He recognizes the stupidity of the French and Germans individually being able to do business and like each other and yet politically being unable to agree.

Canada's Advantage

What is Canada's position concerning Germany's aims and aspirations?

We are in rather a unique position to render a very definite contribution to the cause of peace. We have no traditional hatreds such as have bred fear and distrust among the European nations for ages. And we have a good name for impartiality and good sense at Geneva. If the present efforts are successful in discipling a leader who preferred to create "an act of aggression" without first being willing to negotiate, then we have a League of Nations for constructive purposes which can make the possibilities of collective security a reality.

Blood Letting Out Dated

Is this an idle dream? We can recall that in olden days blood-letting was an accepted medical cure.

Today through medical experience and knowledge it is out of date. The same can happen in the body politic. There is a new hope that the League of Nations can become the world's family physician and through the resources of experience, idealism and co-operation can alleviate the world's ills without the antiquated method of the blood-letting of war.

In the extraordinarily difficult problem of the future, concerning what adjustments can be made between the "haves" and "have nots" without resorting to war, Canada can play a great and impartial rôle.

But we cannot be smug and self-righteous nor indifferent about it as long as we have a country of vast extent with only ten million people in it.

"Purely Commercial

My German observer continued, "The interests of Germany are purely in the commercial field and cannot be bettered by aggressive intentions. The twenty million surplus German population must have an outlet through sensible immigration laws. No country has profited more through this than the United States. Why should not Canada do the same? Russia will follow. Germany requires no colonies, only raw materials."

One of the things we Canadians can do is to co-operate with Germany in throwing open our doors to the selective types of German immigrants which have already amply demonstrated their capacity to be successful in this country.

Open Our Doors

The main stumbling block against this are our local political views based on the fallacious reasoning that whereas there are industrial relief rôles in Canada and many unsuccessful farmers, then why add to our population? German agricultural immigrants of the right type need only arable land and resources of wood and water to be self-sustaining citizens and consumers.

In my opinion, the adjustment of our viewpoint in this matter is not only practical in the immediate welfare of this country but has a direct bearing on the lives of our new generation. If it assists in any way in Germany's future being one of "peace and prosperity" instead of being one of "peace with poverty" then an otherwise inevitable war will be averted.

We have no quarrel with the German people. As members of a democratic commonwealth, however, we have a quarrel with their present form of government where it submerges individual freedom of thought and speech, makes political differences punishable without trial and arbitrates against the free play of human genius. But arbitrary governments do mellow if their people can have the "rewards of peace."

Youth in the Making

Youth in Germany today is being prepared for a great destiny. Their idealism is being quickened by their catching a new vision of the possibilities of their race and their loyalty to the cause is being fed by the objectives of peace and work. This objective can be changed overnight by turning the idealism of youth into the channels of war.

One can see in Germany ample evidence of sinister preparedness for war. It may only be preparedness to sit in at the feast of nations instead of accepting crumbs from their masters' table.

Impartially, this is not an unnatural objective. It all depends on the leadership—Hitler's, ours and that of the other guests. And within a co-operative leadership rests the possibilities of fulfillment of the age-old hope of the human heart—peace on earth, goodwill toward men.

* * *

VIGNETTES

At the suggestion of a friend, I wore my C.E.F. service button of the late war. In every case where I met a German veteran we were on terms of goodwill at once—the old soldier's mutual respect for one who was through it and in agreement on the futility of war.

* * *

Herr Hitler wears his hair draped over his forehead to cover a scar, it is said.

* * *

No freedom of the press. A Swiss paper, written in German, attained a local circulation of 20,000 in Switzerland and 80,000 in Germany—showing the hunger for impartial or outside news. It was finally barred.

* * *

Ex-Kaiser Wilhelm's palace in Berlin is now a show place. Dramatic highlight—his secretarial room and desk on which stands a carved model of the "Victory," a gift of English friends. Nelson's message in flags "England expects every man to do his duty" is on the model's side.

This concludes the series of articles on "The New Germany" based on a personal investigation by Mr. Chipman.

"Clearing With Rising Trend" —Industrialists Forecast 1936

Newsprint Output May Exceed 1935

IN VOLUME of tonnage the Canadian newsprint industry reached a new high record during the past year and consumption is likely to show continued increase during 1936.

C. M. VINING

In dollars, however, there has been little improvement; prices remain at almost the lowest point in thirty years and distinctly below the general level of commodity prices.

The industry suffers from several causes of ill-health. These include a vulnerable contract system, uneconomic delivery methods, uneven distribution of tonnage and unsound competitive practices:—*Charles Vining, President, Newsprint Export Manufacturers Association of Canada.*

Higher Ford Sales Expected

DURING 1935 our sales in Canada increased by about 50 per cent from the total of 19,189 units sold in the Dominion during 1934. We are hoping for still further improvement in the domestic market during 1936. It is still below normal, but with an increase in the purchasing power of the west, farmers will be able to obtain the cars and trucks they badly need but have been unable to buy.

Our sales in South Africa during 1935 made a new all-time record. Substantial increases were made in our sales to other African territories, and to Malaya, India, Australia and New Zealand. In the latter Dominion we are establishing a new affiliated company, which is undertaking there the partial manufacture of vehicles from parts and components obtained from our Windsor, Ontario, plant.

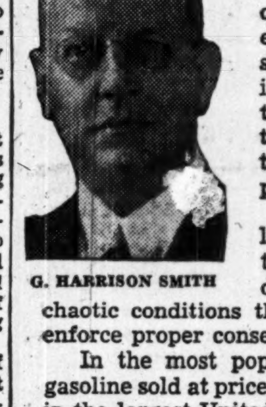
Summing up the outlook for 1936, it appears that there will be a further improvement in the domestic market for automobiles, and export sales will probably maintain the high level of 1935, and perhaps may increase somewhat:—*W. R. Campbell, president, Ford Motor Co. of Canada Ltd.*

* * * *

Gasoline Consumption on Upgrade

THE American petroleum industry ended the year in an improved position.

Product prices were nearer to a sound relationship to costs than had prevailed for several years past and as the year ended there was talk of higher posted prices for crude oil. In this, some authorities saw an element of danger because it would stimulate "wildcat" or exploratory drilling and so might result in again exposing the industry to a flood of flush production with a recurrence of the demoralization which attended that condition in the past.



G. HARRISON SMITH

Others contended that the industry learned its lesson from past disorganization and that even if the industry itself did not take the steps necessary to avert chaotic conditions the federal and state authorities would enforce proper conservation of crude oil resources.

In the most populous districts of Ontario and Quebec gasoline sold at prices lower than the average price prevailing in the largest United States centres. This is an anomaly for which there is no sound business reason.

Sales of gasoline in Canada during 1935 will show an increase of approximately 8 per cent over the preceding year. Present indications are that Canadian consumption of petroleum products will attain a somewhat higher level in 1936:—*G. Harrison Smith, President of Imperial Oil, Ltd.*

* * * *

Food Outlook Best Since 1930

NOT since the beginning of 1930 has the food industry entered a year as optimistically as at present.

One of the main reasons is a definite tendency toward the purchase by the general public of better quality lines wherever retailers display and feature them. This is always a good barometer of improved future business.

Canning and biscuit firms that have consistently held to quality are finding less and less resistance on the part of consumers. Those with steady incomes, whether they are higher than a year ago or not are more confident of the future.

Prices of a great many raw and manufactured food products are higher. These include lines such as cheese, butter, flour, poultry, canned goods and a wide range of imported foods. Retail inventories are healthy and advancing prices always give a spurt to business:—*B. T. Huston, Editor, Canadian Grocer.*

* * * *

Canada's Market for Bacon

FOR the past three years, hogs have been more profitable to the farmer than any other product he raised.

This has been due to the Ottawa agreement. When the agreement came into operation in January, 1933, hogs were selling at 3¼ cents per pound f.o.b. Ontario country points. Within 12 months the market advanced to 8¾ cents per pound, and ever since it has been on the high level, fluctuating between 7 cents per pound and 9 cents per pound f.o.b. Ontario country points.

J. S. McLEAN

The high price is due entirely to the outlet for bacon in England accruing from two factors, the quota assigned to Canada by the Ottawa agreement, plus the policy of the British government to maintain a high bacon price in order to make pig raising profitable to the British farmer.

No better illustration could be had of the function and value of an export outlet for surplus farm products.

The Ottawa agreement runs for two years more. Therefore Canada is assured an outlet for its surplus hog products for that length of time. But it is possible the price may not continue on so high a level. It seems certain the British Department of Agriculture will continue its policy of making pig raising profitable in Great Britain There is now a suggestion that instead of restricting imports in order to keep the bacon price (and therefore the pig price) high, the British government may change the system and impose a levy on bacon entering Great Britain from all sources.

It would be a great misfortune to the Canadian pig producer if the existing quota system were changed to the suggested levy system. The change has been under discussion for some time. It is impossible yet to say whether or not it will be made:—*J. S. McLean, President, Canada Packers Ltd.*

Railway Problems Must be Settled

COMPARED with the gross earnings for the year 1925, C. P. R. earnings estimated for 1935 show a decrease of approximately $65 millions, or over one third.

SIR EDWARD BEATTY

No good purpose would be served by a labored study of the causes that have brought about this drastic change. It boils down to the fact that the business has not been available.

But changing conditions in business and new methods of competition in transportation face the railways with the need of progressive modernization of their facilities, all of which is a matter of large expenditure.

Therefore, if this country is to continue to enjoy its present happy position of being efficiently served by its railways at a comparatively low cost, something more far-reaching must be done to place them upon a sound and profitable basis.

Certainly we are not appreciably further out of our troubles than we were a year ago:—*Sir Edward Beatty, Chairman and President, Canadian Pacific Railway.*

* * * *

Better Mail Order Business Forecast

MAIL order business during 1935 compared favorably with the year 1934, following the ups and downs which characterized retail trade generally.

The disappointments of the agriculturist, particularly in the western provinces, prevented a freer replacement of personal and household necessities and the development of the confidence necessary to encourage the use of funds in hand and the new earnings of the 1935 crop.

Prospects for 1936 are bright and a better year is expected:—*H. H. Bishop, Vice-president and General Manager, Simpson's Mail Order Companies.*

* * * *

Construction Revival in Sight for 1936

THE construction industry, which in normal times ranks third in importance so far as Canada is concerned, has promise of greatly increased activity for 1936.

Since the low level of 1933 when contracts awarded amounted to $97.2 millions there has been a gradual increase in momentum. Contracts in 1934 amounted to $125.8 millions and in 1935, $160.3 millions. Past records show that this momentum gathers strength year by year until a peak is reached so that there is every expectation of increasing volume for some years to come.

This expectation is made the more probable by the three potent factors which exist today—cheap money, public confidence and actual need of modern buildings: — *Arthur Holman, General Manager, MacLean Building Reports, Ltd.*

* * * *

Silk Industry Planning Expansion

THE silk and artificial silk industries in Canada have steadily forged ahead during recent years and now provide an important portion of the employment furnished by the primary textile industries in Canada.

W. P. MacDOUGALL

The growth of the silk industry has been remarkable. Ten years ago the employment was only 2,231 people and today the number employed has multiplied six times and the annual pay roll is six times larger. This silk group provides direct employment for over 13,000 people, in 59 mills located in 35 villages and towns in Canada.

With financing unemployment in Canada a major problem to be solved by the Dominion government, it does not appear to us that anything will be done which would halt the ability of this industry to continue to provide more employment in 1936 than in 1935, and we therefore look forward to a continued expansion of operations:—*W. P. MacDougall, President Silk Association of Canada.*

Western Outlook Brighter for 1936

EVEN though many western Canadian farmers suffered the calamity of losing their entire cash crop it is estimated that the value of all cereal crops in the west in 1935 will exceed 1934 by about $20 millions.

But this is not the whole story. Confidence in western soil has been largely restored, even among those who suffered from rust damage, owing to the drought being broken over large areas and the rehabilitation programme now under way.

Reluctant recipients of farm relief have been transformed into men who can again look the world in the eye. There is a plentiful supply of feed in most sections of the country.

Farm and other realty values have been enhanced as dried-out areas have again become productive, with far-reaching effects, not only in the immediate districts concerned, but throughout the whole financial structure of the country:—*E. C. Gilliat, Managing Secretary, The Winnipeg Board of Trade.*

Farm Buying Power Reviving

EXPERIENCES of 1935 discourage any tendency toward prophecy.

In Canada we have seen a wheat crop that promised 400 million bushels in June drop to 270 million bushels in September; and in the Argentine, a crop that will provide less than 50 million bushels of wheat for export, as compared with three times that quantity a year ago.

T. A. RUSSELL

Apart from upsets of this kind, I do feel, however, that the trend for 1936 is steadily toward improvement in agricultural conditions and, with it, stronger buying power for the farmer. This is encouraging to those engaged in the farm implement industry: — *T. A. Russell, President, Massey-Harris Co. Ltd.*

Hardware Demand is Growing

WHOLESALE hardware sales volume which in each of the last two years has shown an increase of approximately 20 per cent over the previous year, bids fair to continue improvement to about the same extent in 1936. Should the building industry revive, some of the lagging departments of the hardware business may show even a greater percentage of gain.

Bookings of hardware and paint for 1936 spring trade have been heavier than last year. Particularly is this true of paint and is due to lower prices. Some spring booking prices have been held up later than usual till the effect of the Canada-U.S. trade agreement is more evident.

Imports of hardware appear likely to be increased, tending to curb price advances which otherwise would already have been made on some domestic products. Increased buying of hardware and paint in agricultural areas is expected in 1936 through improved buying power resulting from higher prices for agricultural products.

If the western crop escapes the usual hazards, an exceptional stimulation of business is expected because western buying of hardware and paint has been long postponed:—*H. L. Southall, Managing Editor, Hardware and Metal.*

Demand Foreseen for High Quality Cattle

PRESENT indications suggest little change in the cattle industry during 1936, assuming that no unforeseen contingencies arise.

Cattle prices have doubled since 1934. Price levels for poultry, lamb and pork, with decreased supplies, are reflected in present cattle prices. Low quality grain and correspondingly low prices for coarse grains have forced farmers to feed greater numbers of cattle east and west.

Argentine competition at present displaces Canadian cattle on the British market but increased numbers of cattle on feed in the western states will have a steadying influence on the Chicago market, which will be reflected in the Canadian trade in medium cattle. Only cattle of extreme quality and high finish will be able to find an outlet in the American markets:—*R. James Speers, Winnipeg.*

Textile Employment on Upgrade

WHILE the textile employment situation in 1935 cannot be regarded as wholly satisfactory, it did show a marked tendency to increase toward the end of the year. Unless action is taken by the Federal government which will result in reversing the trend, it now looks as though this increase of employment will carry through into 1936, and will materially aid the upward movement of business in Canada:—*A. V. Young, President Cotton Institute of Canada.*

Export Flour Sales Increasing

PROSPECTS for the milling industry during 1936 are more hopeful.

With the wheat situation as it is there is a possibility of expansion of export business. Demand for flour from overseas markets showed signs of improvement in the closing months of the past year and it is hoped that sales will develop along even more substantial lines over the next twelve months.

The volume of business in the domestic market continues satisfactory, though the price has been relatively low and competition keen. All in all, however, the situation holds more promise:—*C. H. G. Short, General Manager, Lake of the Woods Milling Co.*

B. C. Lumber Markets are Changing

BRITISH COLUMBIA'S lumber exports during the past season to Great Britain established a new peak, and exceeded those of 1934 by 5 per cent.

This was achieved despite a drastic decline in competitive Baltic prices, and during a time when eastern Canadian exports dropped seriously because saw millers in the east would not sell as and when the buyer could serve himself elsewhere.

H. R. MacMILLAN

Next year B. C. may be helped by the announced curtailment of Baltic and Russian production, plus higher prices. But it may be adversely affected by higher B. C. wage scales and consequently seriously higher costs. Other adverse factors include a possible decline in British house construction, possibly higher ocean freight rates, and diversion to the U. S. of goods hitherto going to the British market.

At distress prices, therefore, the odds favor smaller British trade. Offsetting this decline, the reduced American tariff on 250 million feet of fir and hemlock practically guarantees this much additional export trade, plus considerable quantities of cedar, spruce and other woods.

Total B. C. exports to these two markets should advance by 25 per cent in 1936:—*H. R. MacMillan, president, H. R. MacMillan Export Co. Ltd.*

Footwear Prices Moving Higher

THE outlook for the Canadian shoe manufacturing industry for 1936 is not unclouded, but nevertheless is distinctly favorable.

Stocks in the hands of the manufacturers, wholesalers and retailers are moderate and production may be expected to be maintained at the 1935 level and perhaps even increased.

Tariff rates are on a basis which can reasonably be regarded as established for several years at least. The general business situation is clearing.

While competition will continue to be severe, the New Year promises to be one of progress and expanding business.

The certainty that increased prices cannot be delayed much longer affords grounds for hope that the shoe manufacturers may be able in 1936 to earn a moderate profit from a larger production and service to the trade and the public:—*Wilfred Gagnon, President, Shoe Manufacturers Association of Canada.*

Greater Fish Consumption Needed

SEA fisheries of the Atlantic coast have weathered several lean years caused by the breakdown of the export markets for salt fish, but the past year has shown some improvement.

Regarding the domestic market, it is estimated that Canadians consume about twenty pounds per capita, whereas in England the consumption amounts to about 56 pounds per capita.

A much larger consumption of sea foods can be realized through an educational and advertising campaign, assisted by the government, to help the industry create broader domestic markets. This should increase the consumption another ten pounds per capita, which in turn would mean approximately two hundred and fifty to three hundred million pounds of fish, as landed by fishermen.

Increase in consumption would add materially to the general welfare and particularly affect the transportation companies and affiliated industries, fundamentally, it would increase the revenue of the primary producer, and go far to rehabilitate the industry:—*Alfred H. Brittain, President, Maritime National Fish Ltd.*

Salmon Production May Decline

NO IMPORTANT change is expected in the domestic salmon trade of Canada, which consumes about forty per cent of the annual production.

Price levels in the export markets have been depressed during the last year by tremendous production during the previous year. Also Japanese and Alaskan salmon are produced at less than half the cost of Canadian salmon. The latter is produced at a cost artificially heightened to uneconomic levels as a result of conservation legislation and geographic conditions as yet beyond control.

Canadian salmon production next year is expected to be somewhat below that of the past season but foreign price levels should be somewhat higher:—*H. R. MacMillan, president, British Columbia Packers Ltd.*

Most Fire Classifications Reduce Loss Ratio in 1934

Sawmills and Lumber Yards Are Most Unprofitable Risks — Twenty-four Per Cent Drop in Losses

Reflecting the generally improved underwriting experience of fire insurance underwriters, 16 of the 27 classifications into which the federal department of insurance allocates fire risks had a lower loss ratio in 1934 than in the previous year.

The value of premiums written dropped $530,000, but losses were off more than $5.4 millions or 24 per cent. Consequently, the ratio of net losses to net premiums written dropped from 52.8 in 1933 to 40.91, the lowest figure in a number of years. The average ratio for the past five years has been 55.79.

During the year, dwellings in protected municipalities replaced retail stores as the classification under which most business was written. Three types of risks, protected dwellings, retail stores and all other one-year and short term risks, account for more than half of the total premiums written, $42.7 millions.

Heavy Sawmill Loss

Although the greatest actual losses were incurred in those classifications in which the largest volume of business was done, sawmills are still the main bugbear of the insurance companies. Loss ratio of this type of insurance soared to 194 per cent in 1934 to lead the list by a very wide margin. Sawmill business was the least profitable in the previous year, too, but then the loss ratio was only 107 per cent. The allied classification of lumber yards was next in line in 1934 with losses amounting to 109 per cent of premiums.

On the other hand, street car barns, with a loss ratio of only seven per cent, were the most profitable risks. These were followed by laundries, tanneries and breweries and malt houses, loss ratio for the first of these being less than 14 per cent, and for the last two between 14 and 15 per cent.

Tables showing the 1934 experience in the various classifications by types of company and the comparative loss ratio figures are shown below.

CLASSIFICATION OF FIRE INSURANCE RISKS IN CANADA 1934

(A)—By Type of Company

Dwellings:	Canadian Cos. Net premiums *written $	†Ratio	British Cos. Net premiums *written $	†Ratio	Foreign Cos. Net premiums *written $	†Ratio
In protected cities, towns and villages	1,950,326	39.52	3,954,454	47.97	2,652,766	48.68
In unprotected cities, towns and villages	706,249	57.53	1,358,519	62.43	800,275	60.31
All other dwellings & farm prop.	1,249,605	50.10	851,763	70.08	396,272	65.50
All other 2 or 3 year risks	512,086	31.78	1,074,968	25.34	790,294	32.10
Mercantile risks:						
Wholesale stores	169,221	35.57	422,032	22.94	649,552	33.16
Retail stores	1,576,807	29.92	3,217,116	32.18	3,421,768	32.97
All other mercantile risks	149,861	37.37	452,383	20.86	309,163	19.45
Breweries & malt houses	15,414	17.94	54,731	15.02	56,812	13.40
Boot & shoe factories	7,260	259.18	16,566	27.22	12,068	91.35
Canning factories	19,842	54.99	81,199	51.38	74,192	30.63
Confectionery & biscuit factories	6,704	101.99	17,909	11.99	15,273	26.81
Flour & oatmeal mills	31,149	115.81	89,528	94.36	67,112	64.23
Grain elevators	658,835	35.23	341,706	21.50	189,325	24.67
Laundries	20,956	23.25	61,274	8.42	35,573	17.78
Sawmills	27,077	149.80	137,982	146.60	283,121	222.00
Lumber yards	43,740	68.39	153,254	168.58	308,052	86.63
Machine shops & metal workers	71,460	60.95	193,909	25.46	244,497	33.85
Mining risks	67,568	49.80	374,927	73.44	248,790	55.41
Pork packing & curing houses	9,276	46.26	26,402	59.93	32,162	31.74
Pulp & paper mills	15,592	9.29	61,238	32.07	55,893	35.57
Street car barns	15,551	8.09	82,657	5.47	39,371	11.39
Tanneries	1,936	33.99	8,865	3.85	9,450	20.73
Wood-working factories	60,230	30.12	155,371	24.15	216,320	31.99
Woollen & knitting mills	6,024	82.24	21,508	74.44	14,087	132.14
All other manufacturing risks	322,390	30.52	774,314	24.49	750,867	32.32
All other 1 yr. & short term risks	1,140,732	43.27	2,674,371	33.96	2,528,419	36.68
Sprinklered risks	305,586	15.38	1,461,941	17.18	1,212,202	18.62
Totals, 1934	9,161,477	40.21	18,120,907	40.32	15,413,479	42.14
1933	9,197,022	48.85	18,493,119	54.14	15,535,435	53.56

*Registered reinsurance deducted.
†Ratio of net losses incurred to net premiums written.

(B)—All Companies

	Net premiums *written $	Net losses *incurred $	Ratio net losses incurred to net premiums written 1934	1933	5-yr. aver.
In protected cities, towns and villages	8,557,546	3,985,863	46.58	53.24	49.25
In unprotected cities towns & villages	2,865,043	1,737,140	60.63	83.57	75.94
All other dwellings & farm property	2,497,640	1,482,551	59.36	79.22	82.97
All other 2 or 3 year risks	2,377,368	688,823	28.97	77.98	48.34
Mercantile risks:					
Wholesale stores	1,240,805	372,373	30.01	55.39	66.44
Retail stores	8,215,691	2,635,142	32.07	54.72	53.75
All other mercanitle risks	911,407	210,494	23.10	27.74	38.63
Breweries & malt houses	126,957	18,600	14.65	10.25	24.21
Boot & shoe factories	35,894	34,351	95.70	25.47	122.30
Canning factories	175,233	75,357	43.00	3.82	37.50
Confectionery & biscuit factories	39,886	13,080	32.79	37.70	44.71
Flour & oatmeal mills	187,789	163,656	87.15	26.77	96.96
Grain elevators	1,189,866	352,292	29.61	17.80	49.27
Laundries	117,803	16,361	13.89	21.44	33.28
Sawmills	448,180	871,378	194.43	107.19	138.85
Lumber yards	505,046	555,138	109.42	92.54	103.81
Machine shops & metal workers	590,866	175,689	34.46	30.11	43.95
Mining risks	691,285	446,863	64.64	30.69	36.19
Pork packing & curing houses	67,840	30,323	44.70	24.77	31.60
Pulp & paper mills	132,726	40,972	30.87	35.14	38.20
Street car barns	137,579	10,263	7.46	14.17	55.34
Tanneries	20,251	2,958	14.61	31.81	53.66
Wood-working factories	431,921	124,850	28.90	60.12	55.24
Woollen & knitting mills	41,619	39,579	95.10	51.80	67.94
All other manufacturing risks	1,847,371	530,640	28.72	36.12	48.83
All other 1 year & short term risks	6,343,522	2,329,371	36.72	44.05	56.85
Sprinklered risks	2,979,729	523,864	17.58	27.92	31.61
Totals, 1934	42,695,863	17,467,971	40.91	52.81	55.79
1933	43,225,576	22,826,624	52.81	....	....

*Registered reinsurance deducted.

U. S. Insurers Are Marketing New Air Policy

Canadian officials of casualty member companies of the United States Aviation Underwriters, Inc., state that the new "airsurance" policy, recently introduced in the United States, will not be written in Canada in the immediate future.

This policy, put on the market about two weeks ago, covers airline commercial travellers. It takes the form of an employer's voluntary contractual liability policy under which an employer can obtain up to $10,000 insurance for each employee named in the policy at a rate of $1 per $1,000 a year. There is a minimum premium for any employer, however, of $50.

Benefits are paid to an insured employer for a stated amount in the event of death or injury of an employee caused by accident on any recognized airline. Employers may transfer the payment to the employee in the case of injury, or to some other beneficiary in the case of death.

Companies writing this type of business are the Aetna Casualty & Surety, Century Indemnity, Hartford Accident & Indemnity, Maryland Casualty, New Amsterdam Casualty and United States Fidelity & Guarantee.

New Officers Appointed By Auto Firms Committee

At a reorganization meeting of the committee of underwriters on automobile insurance standard forms, H. D. McNairn, Ontario superintendent of insurance, was appointed chairman, with R. J. Bastedo of the Phoenix of London and John Edwards of the Ontario insurance department, re-elected vice-chairman and secretary, respectively, for the ensuing year. E. M. Hill is the new treasurer of the committee.

Subcommittees named by the chairman were as follows: Miscellaneous forms, R. J. Bastedo; garage dealers' forms, Roy Atkinson; public vehicles, E. M. Hill; fleet contracts, H. L. Kearns; finance business, S. G. Reid; proposed statutory changes in the uniform act, P. H. Horst; nonownership forms, J. Wilson; revisions to existing standard forms, V. C. Smith.

Dog Kidnapping Covered By London Lloyd's Policy

From Our Own Correspondent

LONDON.—Lloyd's has issued its first policy covering kidnapping of a dog. The policy, for more than £100, was taken out by an Englishwoman who evidently has heard wild tales of kidnapping activities in the United States.

Protection is afforded when travelling to or in America.

New Secretary

ETHEL W. DOANE

Appointed secretary of the National Life Assurance Co. Miss Doane has been with the company since its organization and has been private secretary to four executive heads of the company.

C. U. A. DELAYS FINAL APPROVAL OF CONSTITUTION

To be Considered at Future Meeting—Officers Appointed

The new constitution of the Canadian Underwriters' Association was discussed but not finally approved at the first general meeting of the Association in Montreal recently. Instead it will be considered at a meeting to be held, probably within the next two or three months. No definite date has been set for this meeting but companies will be given 60 days notice.

Considerable debate centred about the question of voting: Should a group of companies have a single vote, or should each company in the group be entitled to a vote? This matter, too, was left to the subsequent meeting for final decision. Meanwhile the voting regulations of the Dominion Board of Fire Underwriters will apply.

It has also been reported that there was some discussion on the advisability of decentralizing rating bureaux in the provinces of Ontario and Quebec.

Most officers elected at the Murray Bay conference last June were re-elected, but some additional appointments were made at the meeting which was originally scheduled for two days but was prolonged for an extra day.

List of Officers

Officers are now as follows: President, John Holroyde, vice-pres. and chairman of the fire insurance branch, R. L. Stailing; vice-pres. and chairman of the casualty branch, Alex. Hurry; vice-pres. and chairman of the automobile branch, L. C. Evans; vice-chairman of the fire branch, C. E. Sanders; vice-chairman of the casualty branch, Geo. Weir; vice-chairman of the automobile branch, E. J. Kay; managers, A. L. Ham, J. J. O'Brien; secretaries, A. W. Goddard, J. H. King, W. U. Dixon.

Members of the executive of the three divisions are: Fire, W. E. D. Baldwin, A. McBride, C. J. R. Coyle, E. M. Whitley, A. Glover, F. S. Garrison, F. D. Knowles and K. Thom; automobile, S. G. Reid, F. S. Johnson, A. McBride, D. K. MacDonald, B. W. Ballard, A. C. Hall, J. U. Fletcher, C. S. Malcolm, D. M. Dewar, J. J. Hart, Col. S. W. Band and K. Thom; casualty, H. F. Roden, J. B. Alexander, John Jenkins, J. Blackwell, H. C. Mills, F. J. Lightbourne, C. C. Paull, P. M. May, S. B. Perkins, F. D. Knowles, W. T. Turvey and F. E. Dufty.

Mutual Benefit Official

ARTHUR C. POWELL

Who has been appointed assistant manager for Canada of the Mutual Benefit Health and Accident Association. Mr. Powell was formerly connected with the Maryland Casualty Co.

New Licenses

The following companies have received certificates of registry from the federal department of insurance to write the classes of insurance named in addition to those for which they are already registered. Risks written under the new classifications are limited to those which are already insured by the companies for fire.

Millers National Insurance Co.: Falling aircraft, earthquake, limited explosion, hail, riot and civil commotion, sprinkler leakage, tornado.

Lumbermen's Insurance Cox Falling aircraft, earthquake, limited explosion, hail, riot and civil commotion, sprinkler leakage, tornado.

Merchants Fire Assurance Corp. of New York: Falling aircraft, earthquake, hail, and riot and civil commotion.

Fire Association of Philadelphia: Falling aircraft, earthquake, hail and riot and civil commotion.

American Insurance Co.: Falling aircraft, earthquake and riot and civil commotion.

The Switzerland General Insurance Co. has been licensed by the Federal Department of Insurance to write in Canada, the following classes: Fire, falling aircraft, earthquake, tornado, hail, sprinkler leakage, limited explosion and riot and civil commotion. The company is limited in writing business other than fire, to risks on which it carries fire insurance. Louis Pigeon, Montreal, has been appointed Canadian chief agent.

Insurance Inklings

HARTLEY AND FOSTER is the name of a legal partnership specializing in insurance law at Saint John, N.B. R. P. Hartley, K.C., was formerly insurance superintendent in the province. Walter W. V. Foster is a member of the N. B. legislative assembly.

EDWARD HENSELWOOD has been elected president of the Life Underwriters Association of Winnipeg. GEORGE WEIR is vice-president.

J. A. FOURNIER was elected president of the Life Underwriters Association of Montreal at the annual meeting of the body last week. H. A. PEVERLEY was elected first vice-president and P. A. MASSON, second vice-president.

H. E. McLEAN, manager for N. B. and P. E. I. for the Manufacturers Life Insurance Co. was elected president of the Life Insurance Underwriters Association of New Brunswick at the annual meeting of that body recently. J. STUART ANGEVINE of the Mutual Life was named first vice-president.

J. C. MARSHALL was elected president of the Edmonton Life Underwriters' Association at the annual meeting of that body recently. C. M. HORNER was elected vice-president.

"Jolly Fine Insurance Man" Say Britishers of Brownell

From the Policyholder, London comes the following interesting comment about E. A. Brownell, much-travelled president of the British America-Western group.

"Mr. Brownell is a New Zealander by birth and a jolly fine insurance man by aptitude and training. He joined the Western staff thirty years ago and is now at the top of the tree.

"In appearance he resembles our chancellor of the exchequer, Neville Chamberlain, but rather more athletic and soldierly in build. Brownell came across from Canada in July, intending to go on to South Africa and Australia, surveying the worldwide business of the company. On reconsideration, however, he decided to give the big tour to his London manager and to remain meanwhile in England.

"The Brownells are descended from a family settled in Derbyshire in the seventeenth century and later prominent across the Yorkshire border at Sheffield, whence they spread to Liverpool before going to America and the great sheep-breeding district in the south island of New Zealand. Nowadays the surname is most widely known in the United States.

"But as late as the beginning of the nineteenth century old Peter Brownell held high municipal rank as master-cutler of Sheffield. I think it was his magisterial son Charles who migrated to Lancashire. About that time William Brownell was secretary of the Sheffield Fire Office, a concern acquired by the Alliance Assurance seventy years back."

What, Where, Why of Buyers Shown by Life Sales Data

Important, up-to-the-minute figures answering questions as to "Where," "Why" and "What" life insurance people are buying are summarized in the current issue of Nalaco, monthly journal of the North American Life Assurance Co.

The material is taken from the Handbook of Insurance Selling and analyzes insurance sales for 1933, 1934 and 1935 to date.

The following trends are revealed, the comment in each case being that of the North American Life.

What They Buy

	1933	1934	1935
Term	10%	6%	5%
Modified Life	5%	6%	5%
Ordinary Life	59%	55%	51%
Limited Life	10%	4%	8%
Endowment	16%	29%	31%

"Note the increase in the percentage of endowment sales. Are you selling twice as many policies on this plan as you did two years ago?"

Who The Buyers Are

	1933	1934	1935
Managers, Salaried Persons between Executive and Clerical Class	19%	16%	11%
Clerks	14%	12%	17%
Proprietors	11%	11%	8%
Salesmen	11%	18%	15%
Professional Men	10%	10%	13%
Students	7%	10%	8%
Unskilled Workers, Laborers	7%	1%	2%
Executives	5%	5%	5%
Teachers	4%	4%	4%
Skilled Mechanics, and Factory Workers	3%	5%	5%
Business Women	3%	4%	4%
Unclassified	6%	4%	8%

"The good reaction of such groups as clerks and professional men under present conditions is particularly encouraging. These groups in particular contain many good prospects for aggressive canvassing."

Where To Get Prospects

	1933	1934	1935
Referred Prospects, Friends, etc.	29%	45%	39%
Leads from policyholders	18%	15%	19%
Sales to policyholders	15%	11%	20%
Cold canvass	12%	9%	6%
Endless chain	9%	6%	4%
Office leads	9%	11%	8%
Newspapers, Lists, etc.	7%	2%	3%
Miscellaneous	1%	1%	1%

"Referred leads, i.e. the first three groups mentioned above, account for 78 per cent of the total business written. Prospecting plans, therefore, should be concentrated along these productive channels.

"Cold canvass is just half as important now as it was two years ago."

Type of Prospect

	1933	1934	1935
New	59%	51%	52%
Old	16%	25%	23%
Policyholder	25%	24%	25%

"Half the sales are being made to new prospects; therefore, a good balance of time would be half with new prospects, one-fourth with old prospects and the balance with policyholders."

Do They Pay in Advance?

	1933	1934	1935
Yes	51%	57%	47%
No	49%	43%	53%

"The drop in prepaid business is disturbing and one that should be remedied by each individual as far as possible."

Why They Are Buying

	1933	1934	1935
Family protection	39%	42%	46%
Retirement	30%	26%	25%
Clean up	14%	12%	11%
Indefinite	6%	5%	4%
Protection of parents	3%	5%	5%
Business	2%	7%	4%
Miscellaneous	6%	3%	5%

"Family protection remains the big reason for life insurance and it is being bought for this purpose in increasing amounts."

When They Buy

	1933	1934	1935
First interview	47%	40%	42%
Second	26%	32%	34%
Third	18%	16%	14%
Fourth	8%	7%	5%
Subsequent	1%	5%	5%

"It should be noted here that 90 per cent of sales are made by the third interview, and time used on more frequent ones is of doubtful value from the representative's viewpoint."

How Much They Buy

	1933	1934	1935
$1,000—$1,999	25%	22%	26%
2,000— 2,999	19%	19%	22%
3,000— 4,999	12%	12%	12%
5,000— 7,499	21%	24%	20%
7,500— 9,999	3%	5%	3%
10,000— and over	19%	18%	17%

"That the big producers are writing more small policies is regarded as being the reason for the drop in the average size of the policies sold."

Life Company Shareholders, 8.

Dominion Life

Voting Trust Holds Almost Half Total Shares—Distribution is Relatively Small

Almost half the total shares outstanding of Dominion Life Assurance Co. are held in a voting trust, acording to analysis made by The Post of the company's shareholders.

There are 1,913 shares held in this block, representing 48 per cent of stock outstanding. Total shares outstanding number 4,000 on which 50 per cent has been paid up.

As with other leading life insurance companies, shareholders have but a small stake in the company, the total amount paid in cash being but $280,000. Even taking shareholder surplus funds outstanding at Dec. 31, 1934, ($236,000) the total is very small when contrasted with the almost $29 millions of assets held in trust by the company, mostly for its policyholders.

Sixty-eight Shareholders

In all there are but 68 shareholders of which eight are the company's directors. The largest individual holding is that of E. F. Seagram, vice-president of the company with 1,341 shares of which 1,055 are held in his own name. All but two of the directors have shares in the voting trust in addition to those listed under their own names.

Ten Years Ago

Ten years ago the Seagram holding was almost as large as it is today and was the dominant individual block of stock. Other large holders (Dec. 31, 1925) were: Thomas Hilliard, 295 shares; Mrs. A. V. Forbes, 213 shares; Ford S. Kumpf, 105 shares, Mrs. E. P. Snyder (in trust) 301 shares; estate of Dr. W. T. Parke, Woodstock, 120 shares, Walter Wells estate, 149 shares.

Most of the company's shareholders are in western Ontario, with four in the United States.

The detailed list of the actual shareholders of the company at the present time follows:

Name: Address:	No. of Shares
Andrews, F. S., Winnipeg	20 (*)
Baumann, Ed. E., Kitchener, Ont.	15
Boles, Wm. (est. of), Stratford, Ont.	8
Dobbie, George A., Galt, Ont.	156 (*)
Euler, W. D., Kitchener	25
Fleming, C. A., Owen Sound, Ont.	15
Forbes, G. Alex., Hespeler	50 (*)
Forbes, George D., Hespeler	9
Forbes, Mrs. A. V., Hespeler	338 (*)
Forbes, Norman E., Hespeler	35
Frowde, Ltd., Waterloo	50
Goldie, Mrs. Estella A., Guelph, Ont.	8
Goodale, Miss Elizabeth, Cheviot, Sask.	37
Gundy, J. H., Toronto	396 (*)
Gundy, Mrs. S. L. C., Toronto	12
Hendry, Mrs. Clara M., Toronto, Ont.	26
Hilborn, Mrs. G. W., Preston	28 (*)
Hilliard, J. Arthur, D.D.S., Kitchener, Ont.	8
Hilliard, Thos., Waterloo, Ont.	60 (*)
Hilliard, Dr. W. L., Waterloo, Ont.	25
Huenergard, A. J., Waterloo	50 (*)
Huenergard, C., Waterloo	37 (*)
Johnston, Mrs. S. M., Exeter, Ont.	1
Johnston, Wm. H., Exeter, Ont.	5
Kumpf, Ford S., Waterloo, Ont.	200 (*)
Lackner, H. G., M.D. (est. of), Kitchener, Ont.	10
Laing, Mrs. Jessie I., Simcoe, Ont.	10
Larkworthy, Wm. J., Stratford, Ont.	17
Larkworthy, George H., Stratford, Ont.	17
McCall, Miss Carrie A., Simcoe, Ont.	10
McCall, Harold S., Simcoe, Ont.	10
McKay, Hugh M. (est. of), Woodstock, Ont.	20
McMullen, J. A., Toronto, Ont.	30
McMullen, R. T., Toronto, Ont.	30
Mackay, Francois E., Ottawa, Ont.	1
A. N. MacTavish, Waterloo	10 (*)
Matthews, Mrs. Clara E. T., Memphis, Tenn., U.S.A.	20
Merner Absalom (est. of), Trout Creek, Ont.	50
Messecar, Dr. J. W., Mille Roches, Ont.	5
Murray, J. J., Waterloo, Ont.	5
Noecker, C. T., Waterloo	50 (*)
Noecker, Mrs. Roxanna, Waterloo, Ont.	50
Pasmore, Mrs. Laura O., Rockwood, Ont.	20
Ratz, Elmer G., Hamilton, Ont.	10
Ratz, Roswell D., Waterloo, Ont.	10
Ratz, Reginald G., Kitcheener, Ont.	10
Ratz, Miss Ruth E., Hamilton, Ont.	10
Ratz, Herbert G., Old Mill P.O., Toronto, Ont.	10
Roos, Mrs. Mary E., Waterloo, Ont.	59 (*)
Roos, P. H., Waterloo	7 (*)
Rose, Mrs. Leila A., Scotia, N.Y.	10
Schaus, H., Waterloo	8 (*)
Seagram, E. F., Waterloo, Ont.	1,341 (*)
Shantz, Mrs. Cornelia, Preston, Ont.	3
Sims, H. J., Kitchener	57 (*)
Snyder, Mrs. E. P., Waterloo	26 (*)
Snyder, Mrs. Elma P. (in trust), Waterloo, Ont.	301 (*)
Stauffer, Joseph, Galt, Ont.	6
Stewart, Mrs. Rella M., Hartford, Conn.	56
Trow, A. E., Toronto, Ont.	50
Twiss, B. A., Toronto, Ont.	12
Vandusen, F. E., Toronto, Ont.	12
Vandusen, W. J., Vancouver, B.C.	12
Waterloo Trust & Savings Co., Kitchener, Ont.	1,913
Wells, C. W., (Est. of), Waterloo, Ont.	55 (*)
Wells, Lyman S., San Francisco, Calif.	19
Wells, Mrs. E. A., Waterloo	5 (*)
Wells, Mrs. Rosina, Waterloo, Ont.	18
Zimmerman, Miss Decima, Waterloo, Ont.	16

*Includes shares held in voting trust by Waterloo Trust and Savings Co., Kitchener, and included in the 1,913 shares listed under that company's name.

Nova Scotia Establishes Advisory "Brain Trust"

From Our Own Correspondent

MONTREAL.—Following up the suggestion made by the Jones Commission, which investigated the economic ills of Nova Scotia about a year ago, Premier Angus L. Macdonald has appointed an economic council composed of representatives of Nova Scotia mining, lumbering, fishing, agricultural and manufacturing industries.

The purpose of this council, according to the Jones report, is to act as a body to advise the Government on matters relating to the development of industry and trade within the province. The members do not receive any remuneration, except out of pocket expenses when attending meetings.

In following the recommendations of the commission, the Government chose a council non-political in character and "composed mainly of a group of business men in the highest standing and respected for their own achievements in the business and professional world."

Represent Varied Interests

The following are members of the council:

Dr. A. S. Mackenzie, a noted Canadian scientist, former president of Dalhousie University and senior member of the National Research Council of Canada, chairman;

Dr. A. B. Balcom, professor of economics, Acadia University, Wolfville—representing education;

F. W. Gray, assistant general manager of the Dominion Steel and Coal Corporation, associated with the Nova Scotia steel and coal industry in various executive capacities since 1909—representing mining;

C. G. Hawkins of Milford Station, Kings County, prominent Nova Scotia lumberman;

Neil McAulay, president of the plant council of the Sydney Steel plant—representing labor;

Dr. Donald F. Macdonald, associate professor of geology at St. Francis Xavier University, Antigonish, who has had wide practical experience as a geological expert since 1906 when he graduated from George Washington University;

O. F. Mackenzie, president of Halifax Fisheries, who established that exporting firm in 1914 after he had had practical experience as a fisherman—representing fishing.

Frank Stanfield, Truro, president of Stanfields Limited—representing manufacturing;

F. Waldo Walsh, director of marketing for the Nova Scotia Department of Agriculture—representing agriculture;

FIDELITY Insurance Company of Canada TORONTO

New Sun Life Manager

DAVID T. DIPLOCK

Appointed manager at Peterborough, Ont., for Sun Life of Canada.

Managers Named By Monarch Life To Posts in West

Appointment of four new branch managers at key points is announced by Monarch Life Assurance Co.

R. F. R. Boreham, who has been acting manager at Vancouver since October 1, now becomes branch manager for British Columbia Mainland with headquarters at Vancouver. Mr. Boreham has been associated with the Monarch Life for six years as a producer in the Fort William office. He was moved to the position of branch manager at that office at the beginning of 1934.

Manager at Calgary

E. M. Roy, life underwriter since 1920 and for nine years with Monarch Life becomes branch manager at Calgary. He has recently been in Vancouver.

E. H. Olmsted, formerly inspector for the company in Winnipeg, has been appointed branch manager at Fort William. An active member of the Life Underwriters Association during his production experience, he was secretary of the Winnipeg Association in 1934.

Steinberg at Regina

W. F. Steinberg, formerly branch inspector in northern Saskatchewan has been appointed branch manager at Regina. Mr. Steinberg has been with Monarch Life since 1931 in the capacity of producing agent, cashier, and branch inspector.

Four Branches For Great-West Michigan State

Great-West Life Assurance Co. has announced the formation of four branch offices in its Michigan territory to be located at Detroit, Flint, Lansing and Grand Rapids

A. P. Johnson, for the past three years city manager in Detroit, has been promoted to Detroit branch manager.

C. T. Milner returns to Michigan after eleven years as branch manager in Chicago, to assume the managership of the Flint branch.

H. C. Brogan, hitherto district manager at Lansing, is now branch manager at the state capital.

Sam Barnes, district manager at Grand Rapids, will be branch manager.

Since The Great-West Life entered Michigan some 15 years ago, with headquarters at Detroit, business has grown steadily. For the past few years Michigan has been the largest producing agency of the company.

Reduce Insurance Rates In Etobicoke Township

The Canadian Underwriters Association has announced that fire insurance rates in the sections of Etobicoke Township, Ontario, which have hydrants, will be reduced on the expiration of present policies. The extent of the reduction is not definite, but will vary with the type of house and other matters which concern the individual risk.

Occidental Business Record

Occidental Life Insurance Co. reports new ordinary business applied for in the first eleven months of 1935 to be $58 millions, bringing total business in force above the $200 millions mark. Both figures are said to constitute a company record.

Great West Life Introduces Plan Monthly Payment

Announcement of a new plan whereby premiums may be paid monthly has been made by Great-West Life Assurance Co. to its field force.

The minimum amount payable monthly is $10 for both annuities and assurances. The previous minimum for annuities was $17.35. The plan is available for all types of contract and special rates have been compiled showing the amount of insurance which is available at various ages and plans for a $10 monthly payment. Arrangements have also been made whereby a policyholder may have an existing policy changed to the monthly plan provided requirements as to occupations and regularity of income are complied with.

Each premium, it is pointed out, is a "true" premium; that is, should a policyholder take out a policy on this basis of settlement and should the policy become a claim after one premium only had been paid, the company would pay the claims without deducting any further premiums. Premiums can be paid exactly as any others, but the company stipulates as of "paramount importance that the premium be paid in cash." Policyholders will not receive a premium notice before the due date but if the premium is not paid such notice will come four or seven days after the due date.

Another plan being considered by the company but not yet ready for introduction to agents is a premium settlements on a "bank draft" system. If introduced it will enable a policyholder to authorize his bank to deduct the amount of the premium from his account each month and turn it over to the company.

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Immediate Covers Prompt Settlements

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Incorporated January, 1935
Chairman Robt. H. Cook — Underwriter Edwin T. Cutts

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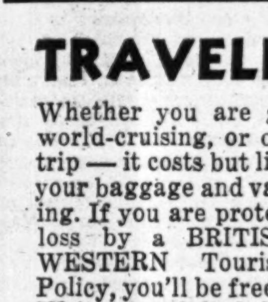
WRITING FIRE AND WINDSTORM

TRAVELLING?



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Dryden Paper

Will you kindly let me have a brief opinion on the position and outlook for Dryden Paper Co.?

Dryden Paper has not recorded any material improvement in earning power in the last two or three years. Revenue has been sufficient to take care of bond interest, before depreciation. There is no special reason for anticipating earnings on the common stock during 1936. Consequently it is unlikely that there will be any distribution in the way of dividends for some time to come. The company caters largely to the western Canadian trade. With an improvement in economic conditions in the west, the sale of the company's products should increase and eventually result in establishing earnings on the common stock.

C. P. R.

It seems to me that the future does not hold very much for the ordinary shares of Canadian Pacific Railway. The company's earnings have not been increasing and all the revenue seems to be required for fixed charges. The operating ratio also seems to be very high. What is your view on the situation? How much longer has the C.P.R. got to make good on the Soo Line?

It would be unreasonable to say that there is little hope of C.P.R. making any money in the future. At present the company, with a limited volume of business, is faced with the difficulty of meeting its fixed charges. These fixed charges have increased very substantially in the last ten years, and now amount to around $25,000,000 annually. In the operation of a transportation system of the size of Canadian Pacific, there is a great deal of unavoidable expense; and necessary operating and maintenance expenses run into many million dollars annually. With the limited volume of business available, the company has had to make drastic economies in order to earn sufficient net revenue to pay these fixed charges.

An examination of the operating figures of Canadian Pacific Railways for 1935 shows that the operating ratio is relatively satisfactory. The ratio compares favorably with that reported for 1934 or 1933. Therefore it would seem that the company is keeping its expenses in control, and the limited increase in net profit is simply due to the absence of satisfactory traffic volume.

The Soo Line has proved a drag on the C.P.R. in the last two or three years, though it should be remembered that at one time this line was a very profitable investment for the company. The guarantee of the greater part of the Soo Line obligations has made it necessary for the company to make large advances. However, there is a prospect of relief as the major part of these guarantees expires in 1938.

Inter. Paints

Have you any recent information on International Paint? I would like to know something about earnings.

International Paint's 1934-35 statement, recently released, shows that the company is making headway. Industrial and domestic paint business has been at a fairly low ebb in the last two years and naturally earnings of the paint companies have been limited. During the year ended September 30 last, International Paint earned $1 a share on its preferred stock. This was in contrast to 72 cents a share in the previous twelve months.

Claude Neon

Among my investments are a few shares of Claude Neon stock. I understand this company has run into difficulties and would like to know what is being done to improve its position.

Claude Neon General Advertising has been experiencing difficulties of one kind and another in the last two or three years. Attempts are being made to put the company on a sound footing, but progress along this line has been slow. Interest on the privately-held bonds has not been earned and there is no prospect of any early dividends, since nothing has been earned on the preferred stock since 1932.

Asbestos Corp.

Please let me have an opinion as to what progress is being made by Asbestos Corp.

Asbestos Corp. has made considerable headway in the last year. Earnings have increased and the company recently called in some of its underlying bonds. The opinion widely held is that the company is paving the way for the payment of interest in cash on its general mortgage bonds and if business continues as it has in the past twelve months, then the shareholders may receive some distribution before long.

Hiram Walker Pfd.

I am interested in securing some stock on which there is a good return. What do you think of Hiram Walker, Gooderham & Worts preferred? What are the prospects of a rise in price of this stock?

Hiram Walker-G. & W. has no par value, but can be redeemed at $20 a share and in liquidation is preferred up to $20 a share. It carries a dividend of $1 a share. The number of shares outstanding is 460,818, having been reduced by nearly 200,000 shares since the original issue was made. The earnings on the preference stock amounted to nearly $7 a share in the year ended Aug. 31, 1935. This means, of course, that the preferred dividend is very well secured under present earning conditions. There is little likelihood, however, of the stock rising much beyond $20 a share, because the yield would be less than five per cent. At present levels, it is about 5.7 per cent.

Can. Ingersoll-Rand

I have been approached to buy some of the common shares of Canadian Ingersoll-Rand Co. Have you any information on this company; earnings, balance sheet position, etc.?

Canadian Ingersoll-Rand Co. is the only rock drill manufacturer in Canada and derives an important revenue from rock drill replacements. The company controls Canadian rights to all patents of Ingersoll-Rand Co. (U.S.A.), the A. S. Cameron Steam Pump Works, The Bird Machine Co., the Centrifugal Engineering Patents Corp. and other companies, and also maintains its own design and engineering departments. In addition the company benefits from the research work and international experience of Ingersol-Rand Co. (U.S.A.).

The company's capitalization consists solely of 95,200 common shares of no par value, issued out of the total authorized 200,000 shares. The majority of the outstanding stock is owned by Ingersoll-Rand Co. (U.S.A.).

The financial position of the company is strong. At the end of 1934 the balance sheet showed assets of $3.8 millions. Current liabilities totalled only $184,445, compared with current assets of $3.3 millions, of which nearly $1.7 millions was in cash. The plant of the company has been written down to $391,207.

Revenue of Canadian Ingersoll-Rand in 1934 totalled $522,103, and was equivalent to $4.64 a share. This compared with 82 cents a share in 1933 and a loss of 36 cents a share in 1932.

The current dividend is at the rate of $3 annually, payable quarterly. For 1935 the company paid regular dividends of $2.75 and an extra of $2.25, making a total distribution of $5 a share. With the exception of a few years immediately following the war, dividends have been paid by the company, or its predecessors since 1897.

Canadian Gen. Investments

A few years ago I invested some money in the Second Canadian Investment Trust. The trust was reorganized and I now hold shares in Canadian General Investments Ltd. I understand that the realizable value of the shares today is about $6.50 each, and am thinking seriously of purchasing additional shares at this price so that when business improves and the realizable value of these shares gets around $15 (if they ever do), the major portion of my loss will be regained. I understand that this company's stock holdings underwent a thorough housecleaning last year and that the company is now in a much better position to benefit from any general improvement in business conditions.

Common shares of Canadian General Investments are at present selling above $7 each. The company's management has undergone considerable strengthening during the depression. The break-up value per share was $9.35 six months ago and has apparently risen since then. At present levels, the shares give a yield of about 5.7 per cent, which is secured by a diversified list of investments. The company does not publish its list, so that we cannot tell you to what precise extent its portfolio has been improved.

The outlook seems to be for some further gradual increase in the market value of the total investments held by the company, providing general industrial improvement continues. There may also be a gradual increase in the company's income and in the dividends it pays.

British American Oil

What do you think of British American Oil as an investment at present market price? What yield does it pay?

British American Oil Co. has been paying 80 cents a share on its common stock throughout the depression. Earnings on the average have been slightly over $1 a share per annum, but the company has been expanding and integrating its business during this period. While it has expanded considerably in the United States, very little information has been given to the public on that point as yet.

In 1934, the American subsidiaries were stated to have had a satisfactory year.

Earnings have been turned back into the business, with the exception of interest on advances from the parent company. British American Oil is well managed and its prospects for steady or improving earnings at this time appear favorable. At present prices the yield is five per cent, which compares favorably with returns on high quality securities.

Abitibi Preferred

What is the position of Abitibi Power & Paper Co. preferred stock? Is there any prospect of the company being reorganized in the near future?

The position of Abitibi preferred is nebulous at present. The company has not yet earned enough to pay bond interest or even to cover depreciation on the scale formerly provided The price of newsprint will be boosted $1 a ton in 1936, but this in itself will not be sufficient to improve the position of the preferred. Volume of sales went up in 1935, but much more will have to be earned by the company in receivership before a reorganization plan favorable to the preferred would be possible.

Brewers & Distillers

Can you give me some information on the current operations and prospects of Brewers & Distillers of Vancouver?

While earnings of Brewers & Distillers on its 5,777,378 common shares in the past have been low, prospects for improvement are encouraging. Some gain was shown in 1934 when profits were equivalent to three cents a share as compared with 1½ cents a share in the two preceding years and with a deficit in 1931. While full details for 1935 are not yet available, earnings have shown substantial improvement over 1934. In the first six months of 1935, sales were considerably higher than in the corresponding period of 1934.

In 1935, however, the company had to pay $500,000 to settle a claim made by the U.S. treasury for customs duties. The company, however, has a strong working capital position, current assets at the end of 1934 exceeding current liabilities by over $3 millions.

The company's best chance to profit from "repeal" legislation in the United States and the shortage of mature whisky in that country will be in the immediate future. Reduction in customs' duties on whiskies shipped into the U.S. affected by the reciprocity treaty, which went into force Jan. 1, has eliminated many of the marketing problems. With an inventory of matured whisky of about 3.5 million gallons the company stands to make large profits if this can be liquidated in the U.S. market. Profits on sale of this could easily amount to over $1 a share, spread over some time.

Massey-Harris

What are the prospects for Massey-Harris common stock? Would it be a good investment for a long hold?

There will have to be a vast improvement in the affairs of agricultural communities the world over before Massey-Harris common stock will once more have substantial investment value. It is not expected that the company's earnings this year will be sufficient to permit resumption of sinking fund payments on first mortgage bonds. Preferred dividends are 25 per cent in arrears.

Even if Massey-Harris halts its losses, it would require several years of high profits before common dividends would be possible. However, common dividends might be brought closer by reorganization of the company so as to eliminate arrears of preferred dividends. So far, however, the company has not shown sufficient recovery to earn preferred dividends, so that reorganization has not been proposed and common dividends are indeed distant.

High Tower - Bonded Corp.

Should I change my Bonded Corp. certificates for High Tower Oil & Refining Corp. units of preferred and common stock? The dividend declared on High Tower preferred and common stocks is just the same as the interest now received on the certificate. I get 12 per cent per annum now on the certificates and I will get 6 per cent on preferred and 6 per cent on common if I change to High Tower. Is there any nigger in the woodpile?

One difference is that "interest" on the Bonded Corp. certificates has to be paid so long as revenue is earned on royalty interests deposited with the trust company to protect them. Once High Tower gets all holders to exchange certificates for preferred and common stock of High Tower the company will own all the certificates and therefore the royalty interests. It will then be under no obligation to pay further dividends except as they are earned by the company and declared by the directors.

The Financial Post is informed by an officer of the company that 95 per cent of certificate holders have exchanged for stock of High Tower. Units of stock are also being sold to the general public. It is the stated intention of officers to publish a financial statement in about a month. In the meantime exchanges of stock and sales of units are made without sufficient data being afforded in the prospectus of financial position and earnings of High Tower refinery and service stations in the past.

As things stand High Tower will have its business in Texas and its shareholders and directors in Canada. Its assets will be considerable if Bonded Corp. certificate-holders hand over all that is behind their certficates as they do by accepting the offer. After that they will be in the oil business and not in the oil royalty business. They will be accepting all the risks that go with drilling for oil, refining and marketing it and they will be getting any benefits if, as and when they accrue. The company is so far a small independent one. The securities have not been registered at Washington as there is no United States issue.

New Absorption Plant

British American Oil Company, Limited, has started the construction of a $300,000 absorption plant in the south end of Turner Valley.

The Woman Investor

The Business Woman

WOMEN have been accused, perhaps unfairly, of relying too greatly on tips in their stock market operations.

The bridge game, afternoon tea, telephone gossip and a score of other sources of "information" are mentioned in this connection, and classified usually with "barber shop rumors" of the male sex.

In the boom days of 1929, when everybody was a speculator, there may have been some foundation for the charge, and certainly no single incident went so far to substantiate it as the well-known, and now defunct brokerage firm that held daily afternoon teas for its women clients.

The firm opened its offices in a smother of ferns, potted palms, wicker furniture, mirrors, and everything it thought would attract feminine clientèle. Afternoon tea was served, presided over by the head of the firm who appeared in formal morning dress, and delivered a "lecture" calculated to appeal to "the ladies."

While it lasted, the scheme made the brokerage firm the laughing stock of the Toronto financial district, and to those who recall the "address" of the broker at the mid-afternoon seances, the whole episode is one of the most amusing memories of the boom days.

It is unlikely that anyone made money out of the venture, except interior decorators, florists, and the tea companies, but like all the fads of the silly season that preceded the 1929 crash, it is now past and forgotten.

• • •

Intelligent Selection

TODAY women investors are choosing their securities carefully and with a keen eye to the elements of safety and a reasonable income return. Business women enjoy unique advantages in this respect, but they are not the only women able to intelligently translate the meaning of a balance sheet or earnings statement.

In the home and on the street car can be heard conversations between women that are far removed from the gushing gossip of the markets of 1929, when it was smart to pretend ignorance of financial affairs except in connection with the latest "tip."

Turning Again to Stocks

DURING the depression, women's interest in the investment markets dwindled in the face of more personal and pressing financial problems, including that of running a home on a vastly reduced income.

In the last year, however, the revival of activity in business, improving conditions affecting the family wage earner, and a growing volume of trading in securities, all herald a return of women's interest in investments.

It may not equal the semi-hysterical excitement of 1929, which in itself is a healthy sign, but it foreshadows an increasingly important factor in the stock markets as a whole—the influence of participation of women in trading and investment on a large scale.

Among business women, private secretaries to industrial executives are perhaps in the most advantageous position to study the economic and financial trend and to intelligently base their investments on knowledge of actual conditions. Advice of the "chief" is always available and very often conditions in their own business organization or industry enable these women to adjust investment holdings to their future profit. The same close study of business conditions and trends is possible to any business woman.

• • •

First Hand Knowledge

SHE may, for example, be employed in an automobile, chain store, gas, electric, steel, oil, mining, building, or paper company, and from her own observations learn more about conditions and prospects affecting her own line of business and company than any broker could tell her.

If the company's securities are not attractive, she may buy others on the basis of her knowledge of conditions within the industry as a whole. In short, she is in a position to use her powers of observation and her savings, to her own possible profit.

Collectively with thousands of other business women, she will exert a tremendous influence on the course of stock prices in the event of a sustained revival of activity in the security markets during 1936.

Rackets

What Price Charity?

NEARLY all charitable organizations must allot a certain proportion of their receipts to the cost of maintaining the organization itself, but if the charity is honestly maintained, the proportion of expense is small and the bulk of collections go to deserving causes.

Business men, familiar with charitable organizations of this nature whose sponsors or patrons may include men and women of unquestioned standing in Canada, contribute liberally to the organization's coffers.

They also contribute, it is revealed, to charity racketeers who find in the business communities of Canada a fertile field for profit.

The average business man has no time to investigate all the appeals made to him for charitable contributions. His books, and those of many brokers particularly, may include a charity account to which annual cheques are charged and sent out without question.

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BUT there are other "charities" which, investigations reveal, are netting substantial amounts for their promoters. Better Business Bureaus in Canada have made recent enquiries in this direction, and their findings show that the promoter's "cut" far exceeds the amount going to bona fide charitable purposes.

Of five organizations recently investigated, no fewer than three were in the hands of professional promoters whose contracts called for payment to them of 50 per cent of the gross proceeds.

• • •

IN ADDITION to the 50 per cent cut, an item for "expenses" entailed another 12½ per cent of the gross, and investigation showed that substantial amounts had been collected from individuals but were unreported to the charitable organization itself. Further enquiry showed that amounts collected by persons having no connection with the charity, but who posed as collectors, accounted for still more money, leaving between 10 and 20 per cent of the gross for the bona fide charitable organization.

• • •

AS A RACKET, the collection of 50 per cent of the gross by a promoter under contract, is not entirely due to the racketeer-promoter's initiative. It requires the co-operation of the charity to the extent of signing away half its collections under contract.

And any charitable organization whose management is lax enough to pay 50 per cent in promotion expense, cannot be expected to show much better judgment in administration of the funds it receives. Consequently it does not deserve the support of the public.

• • •

WHILE Better Business Bureaus are making progress in exposing the practice of charity racketeering, it is probable that these schemes will continue to make an appearance from time to time. From the standpoint of business men, asked to contribute to unknown charities, one safeguard exists in the form of enquiries regarding the persons or group sponsoring the effort.

If the sponsors or patrons are prominent men and women in the community, successful business or financial executives, or public men of unquestioned standing, it is unlikely they would enter into a contract to pay anything like 50 per cent of the proceeds to a promoter. It is probable that contributions will go for the purposes intended by the organization and its sponsors.

Only after careful enquiry, however, which in the case of bona fide charities need not be embarrassing, should contributions be made.

Investment Analysis

Can Gas Compete?

Consumers Gas, Owned Largely by Women Seeking Investment Safety—Forecasts New Uses

Will you give me some information concerning the stock of Consumers' Gas Co. of Toronto? The enquiry concerns an investment of $2,000 by a woman who requires security of principal with a reasonable return.

Earnings since 1931 have been steadily dropping. That might have been expected up to 1934, but with a slight upturn in business generally during the last year, I should have expected an improvement in the company's earnings. Is it to be expected that the competition of electricity will steadily affect the company's earnings in future, possibly to a point where present dividends cannot be paid?

In view of the Ontario government's attitude toward contracts, is there reasonable assurance that the Gas Company's franchise will not be disturbed?

Of $14.1 millions Consumers' Gas Co., of Toronto, outstanding common stock of $100 par value, women hold 52 per cent and on the market what they hold is worth about $13.8 millions. They and their advisers believe this stock offers a high degree of security and a reasonable return. So do financial institutions and estates which hold 20.5 per cent. Those men, who own the remaining 27.5 per cent of the stock, have, in most cases, acquired it for the same reason.

Safety and Fair Return

Standard investment advice in Canada to those who want security, accompanied by a fair return, has been to buy Consumers' Gas Co. stock. That advice has been right for 87 years. The company has paid dividends throughout its history, 10 per cent on par value from 1848 to 1857, 8 per cent from 1858 to 1873; and 10 per cent from 1874 to the present time.

If one bought at an asked price of 189, for example, he would be getting a yield of 5.3 per cent compared with from 2 to 4 per cent on Dominion government maturities after 1940 and around 5 per cent on high grade corporation bonds which are subject to redemption at maturity or before. To dislodge shares has required high prices in the last two years.

Prices and Earnings

The following table shows what the stock market has thought the stock worth since 1921, and the principal reasons why as revealed in gross and net earnings:

	Price Range of Stock High $	Low $	Earnings Gross‡ (millions of $)	Nett†
1922	160	147	6.8	1.5
1923	163½	150½	6.9	1.4
1924	170½	159½	6.6	1.4
1925	177	164	6.6	1.6
1926	183⅞	170	7.0	1.8
1927	199	171½	7.1	1.9
1928	210	184	7.4	2.1
1929	196	174	7.9	2.2
1930	193	175	7.9	2.3
1931	187	163	8.0	2.3
1932	175	142	7.7	2.2
1933	190	161	7.0	1.9
1934	200	165	7.3	1.9
1935	193	184	7.2	2.0

†Before transfer to plant and buildings renewal fund considered later in this article.

‡Several price reductions to consumers occurred during the period, the last being in 1931.

The special incorporation act of the company requires it to set aside yearly out of earnings, 5 per cent of the value given plant and buildings at the end of the fiscal year in the company's books, to the plant and buildings renewal fund.

Depreciation Mounts

All ordinary repairs and renewals are charged against this depreciation fund. Transfers to the fund since 1930 have exceeded $1 million yearly, while the actual repairs and renewals have varied from $801,162 in 1931 to $512,272 in 1935. After such deductions the fund has grown from $2 millions in 1929 to $4.4 millions now.

As the officers of the company report that the properties have been maintained in good repair and up to a high standard of operating efficiency, there is ground for the statement that the company has earned its dividend in the depression in every year except 1933.

Common Share Earnings

The following table shows the amount applicable to common stock after deducting the whole amount of depreciation required by law, and after deducting the amount actually used from year to year to keep the properties up to 100 per cent value:

Earnings per Common Share

	After legal depreciation	After actual depreciation
1929	$10.04	$12.50
1930	10.49	13.01
1931	9.56	11.17
1932	8.25	10.66
1933	5.90	9.23
1934	6.38	10.01
1935	6.41	10.25

Dividend Reserve 14 Years

The company has the right to pay dividends out of $6.9 millions of reserve fund, built up out of premiums received on various issues of capital stock, when actual earnings in any year are insufficient to pay $10 a share.

It has used that right in recent years to about the same extent as it has been increasing the plant and buildings renewal fund. Actually this has not consisted of paying dividends out of reserve so much as transfers from the reserve fund to the plant and buildings renewal fund

If net profits were never larger than at present this process could go on for nearly 14 years. At that time the reserve fund would be used up and the plant and buildings renewal fund would exceed $11 millions.

Dividends could then continue at $10 a share only if the Ontario Legislature agreed to lessening the withdrawal percentage for the plant and buildings renewal fund.

Gas Sales

In 1931 the company sold 6,453,382 M. cu. ft. of gas, its record year. This declined steadily to 5,885,556 M. cu. ft. in 1935. The figures compare with 5,033,986 M. cu. ft. back in 1921, 2,843,041 M. cu. ft. in 1911 and 873,389 M. cu. ft. in 1901. It would have been still lower in 1935 except that the company since 1931 has served Scarborough, Leaside, East York, North York, Forest Hill, York township, Weston, Etobicoke, Swansea, Mimico, New Toronto, Long Branch, township of Toronto and Port Credit besides Toronto.

In September, 1935, the company had 166,544 meters installed compared with 172,528 in 1932 and 168,803 in 1930, the year before the outlying municipalities were served. Up to 1932 the increase in number of meters installed had been constant.

Taxes Increase

During this period the company has encountered steadily increasing taxation, as well as onerous exchange, customs and new deal additions to the cost of the coal it buys in the United States.

Surplus power of the Hydro-Electric Power Commission, offered at rates below cost, for heating of water, is undoubtedly a factor in the situation. In this one particular the cancellation of the Hydro contract with the Quebec Power companies may be of advantage to the Consumers' Gas Co. It would be reasonable to expect more use of gas for heating of water if Ontario Hydro has no more below-cost power to sell at a low rate for heating purposes.

When Hydro keeps its surpluses in reasonable proportion it will be a help to Consumers' Gas.

Greater Demand Seen

Arthur Hewitt, president, was quoted a year ago in The Financial Post as being convinced that "the demands for power, for heat, for lighting and for other purposes will be so great in the future that it will require every resource that earth can supply to meet them." Sixty years from now, he feels, both the hydro-electric and the gas industries will be found still flourishing.

Legislative Interference

Is it probable that at some time the Ontario Legislature may change the act of incorporation of Consumers' Gas Co. to its detriment just as it has declared null and void the legislation supporting the contract of Hydro with the Quebec power companies?

A sovereign legislature can do anything within its powers, but it is difficult to imagine a compelling reason for a breach of faith with the Consumers' Gas Co. The present act provides for profits above a certain amount being divided with consumers.

Friendly Relationship

It is doubtful if there is anywhere on the continent a more enlightened piece of legislation dealing with the relations between a public utility company and its municipalities than this. Relations have nearly always been friendly and the city of Toronto has been getting all the benefits claimed for publicly owned utilities with the elasticity, economies and efficiency usually associated with exceptionally able private administration and ownership.

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Municipal Bonds
Public Utility and Industrial Financing

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Quotations

Montreal, Toronto Listed and Curb Prices

Canadian Bond Markets

WEEK ENDING DECEMBER 28

Range 1935 High	Low	Divd. Rate Y'rl'd $ in %	Dec. 27	Sales	Close Dec. 21 (last)	Week Ending Dec. 28 High	Low	Close
[illegible]								

Government Bonds

(Furnished by Toronto Bond Traders' Assoc.)

December 31, 1935

Dominion of Canada Bonds

			Bid Dec. 31	Asked Dec. 31	Approx. Yield	Bid Dec. 24
Dominion ..	2	15 Oct. 1936	100.15	100.75	1.05	100.00
Dominion ..	5	15 Nov. 1936	102.35	103.35	1.14	102.35
†‡Dominion ..	5	1 Mar. 1937	105.00	106.00	...	105.15
‡Dominion ..	5½	1 Dec. 1937	107.25	108.25	1.15	107.25
Dominion ..	2½	15 Oct. 1939	101.00	102.00	1.95	101.00
Dominion ..	4	15 Oct. 1939	106.00	107.00	2.13	106.00
Dominion ..	2	15 Nov. 1939	99.65	100.65	1.83	99.65
Dominion ..	4½	1 Sept. 1940	109.00	110.00	2.23	108.50
Dominion ..	5	15 Nov. 1941	110.50	111.50	2.86	110.10
Dominion ..	3	15 Oct. 1942	103.75	104.75	2.25	103.25
Dominion ..	2½	1 June 1943	100.25	101.25	2.32	99.75
Dominion ..	5	15 Oct. 1943	111.50	112.50	3.18	111.00
Dominion ..	4½	15 Oct. 1944	109.65	110.65	3.09	109.00
Dominion ..	4	15 Oct. '43-45	106.00	107.00	2.99▲	105.35
Dominion ..	4½	1 Feb. 1946	109.50	110.50	3.27	109.00
Dominion ..	3½	15 Oct. '44-49	102.50	103.50	3.04▲	101.75
Dominion ..	4	15 Oct. '47-52	105.00	106.00	3.39▲	104.65
Dominion ..	3	1 June '50-55	98.00	99.00	3.07	97.35
Dominion .	4½	1 Nov. '46-56	107.35	108.35	3.57▲	106.50
Dominion ..	4½	1 Nov. '47-57	107.35	108.35	3.63▲	106.50
Dominion ..	4½	1 Nov. '48-58	107.65	108.65	3.66▲	107.00
Dominion .	4½	1 Nov. '49-59	107.75	108.75	3.69▲	107.00

Dominion Guaranteed Bonds

			Bid	Asked	Yield	Bid Dec. 24
*G. T. P. Ry.	3	1 Jan. 1962	98.00	99.00	3.06	97.50
Can. N. Ry.	3	1 May 1944	101.50	102.50	2.66	100.85
Can. N. Ry.	3	15 Dec. '45-50	98.50	99.50	3.04	97.50
*Can. N. Ry.	4½	1 Sept. 1951	111.00	112.00	3.51	109.75
*Can. N. Ry.	4½	1 Feb. 1956	111.00	112.00	3.66	109.75
†Can. N. Ry.	4½	1 July 1957	109.25	110.25	3.80	108.50
*Can. N. Ry.	4¾	15 June 1955	112.75	113.75	3.75	111.75
Can. N. Ry.	5	1 Feb. 1954	113.50	114.50	3.89	112.50
*Can. N. Ry.	5	1 July 1969	113.75	114.75	3.49▲	113.00
*Can. N. Ry.	5	1 Oct. 1969	115.50	116.50	3.75▲	114.50
*M. Harb. C.	5	1 Nov. 1969	116.00	117.00	3.71▲	114.75

Provincial Government Bonds

			Bid	Asked	Yield	Bid Dec. 24
Eastern—						
†N. Bruns. ..	4½	15 Apr. 1961	107.00	108.25	3.97	107.00
†N. Bruns. ..	5	15 Jan. 1960	112.75	114.25	4.06	112.50
N. Bruns. ..	5½	15 May 1950	112.50	114.00	4.20	112.50
N. Scotia ..	4½	15 May 1943	106.50	107.75	3.30	106.25
†N. Scotia ..	4½	15 Sept. '47-52	107.50	108.75	3.60▲	107.25
N. Scotia ..	4½	15 May 1961	108.25	109.75	3.89	108.25
†N. Scotia ..	5	1 Mar. 1960	113.75	115.00	4.03	113.75
*Ontario	4	1 June 1962	102.50	104.00	3.76	103.00
*Ontario	4½	1 Sept. 1944	107.00	109.00	3.30	107.00
Ontario	4½	1 June 1950	105.00	106.50	3.90	105.25
*Ontario	4½	15 Jan. 1962	107.50	109.00	3.94	107.50
Ontario	5	15 Oct. 1948	109.00	110.50	4.00	108.75
*Ontario	5	2 Dec. 1959	114.25	115.25	4.03	114.25
Ontario	5½	1 July 1946	110.25	111.25	4.16	110.00
O. H. C.	3½-4-5	1 Oct. '33-53	100.00	101.00	4.34•	100.00
*Ont. Hyd. C	4	1 Aug. 1957	103.00	104.50	3.70	103.00
Ont. Hyd. C.	4¾	1 Jan. 1970	108.50	110.50	4.17	108.50
Quebec	4	15 Mar. 1952	105.00	106.50	3.48	105.00
Quebec	4¼	1 Aug. 1958	108.00	109.50	3.64	108.00
Quebec	4½	2 Jan. 1963	110.25	111.50	3.81	110.25
Western—						
†Alberta ...	4	1 Dec. 1957	85.00	87.00	4.98	85.00
†Alberta ...	4½	1 Oct. 1956	87.50	89.50	5.34	87.00
†Alberta ...	5	1 Jan. 1948	92.00	94.00	5.70	91.00
Alberta ...	5	1 Sept. 1955	90.00	91.50	5.72	89.00
*Alberta ...	5	1 Oct. 1959	94.50	96.00	5.30	95.50
†Alberta ...	5½	1 Jan. 1947	94.50	96.00	6.00	94.00
Alberta ...	6	1 Mar. 1947	94.50	96.50	6.44	95.00
†Brit. Col. ..	4	1 Dec. 1957	91.00	94.00	4.43	91.00
*Brit. Col. ..	4½	15 Jan. 1951	98.00	99.00	4.59	97.50
†Brit. Col. ..	4½	1 Oct. 1953	96.50	98.00	4.66	96.50
†Brit. Col. ..	5	15 Jan. 1948	99.00	100.50	4.95	99.00
Brit. Col. ..	5	1 Sept. 1953	99.00	100.50	4.96	99.00
Brit. Col. ..	5½	1 Feb. 1945	100.00	101.00	5.36	100.00
Brit. Col. ..	6	15 Feb. 1947	100.50	102.00	5.75	101.00
†Manitoba ..	4	1 Dec. 1957	98.00	99.00	4.07	98.00
†Manitoba ..	4½	15 Dec. 1956	100.50	102.00	4.35	101.00
†Manitoba ..	5	15 June 1954	104.00	106.00	4.52	104.00
*Manitoba ..	5	2 Dec. 1959	104.00	106.00	4.58	106.00
Manitoba ..	5½	1 Oct. 1955	103.50	105.50	5.06	105.00
Manitoba ..	6	1 Apr. 1947	106.00	107.50	5.12	107.00
Sask.	4	15 Aug. 1953	87.50	89.00	4.93	86.50
*Sask.	4½	2 July 1945	96.00	98.00	4.76	96.00
†Sask.	4½	1 Oct. 1951	95.00	96.00	4.86	94.50
Sask.	5	1 Aug. 1958	99.00	100.00	5.00	99.00
†Sask.	5½	15 Nov. 1946	101.00	102.00	5.25	101.00
Sask.	6	15 Mar. 1952	103.00	104.00	5.62	103.00

Municipal Bonds

			Bid	Asked	Yield	Bid Dec. 24
†Calgary	5½	2 June 1944	82.00	86.00	7.76	84.00
†Edmonton .	5½	1 Nov. 1945	82.00	86.00	7.54	84.00
†Halifax	5	1 July 1961	112.00	113.00	4.17	111.50
Hamilton ..	5	1 May 1950	106.75	109.75	4.10	106.75
Montreal ..	5	1 Mar. 1945	105.25	106.75	4.11	105.25
Ottawa	4½	1 July 1945	105.50	108.50	3.44	106.50
†Quebec	5	1 June 1959	108.00	109.00	4.39	107.25
Regina	5	1 July 1944	85.00	90.00	6.55	85.00
St. John ...	5	15 Dec. 1950	107.50	108.50	4.23	106.50
†Toronto ...	4½	1 Jan. 1955	106.00	109.00	3.83	106.00
Vancouver .	5	1 June 1969	89.00	92.00	5.53	89.00
Victoria ...	5	21 July 1945	94.00	97.00	5.40	94.00
Winnipeg ..	5	1 Mar. 1944	101.00	104.00	4.41	101.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. •Calculated to maturity, although callable prior to that date. ‡Exempt from Dominion income tax.

The Financial Post's Quotations

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of an approximate price is better than none at all.

Mining Stock Quotations

WEEK ENDING DECEMBER 28

Par Val.	Range 1935 High	Low	Company	Sales	Close Dec. 21 (or last)	High for week	Low for week	Close Dec. 28
[illegible]								

OIL STOCKS

[illegible]

VANCOUVER STOCK EXCHANGE

(Transactions for Week to Dec. 27)

Par Val.	Range 1935 High	Low	Company	Sales	Close Dec. 19 (or last)	High for week	Low for week	Close Dec. 27
[illegible]								

OIL STOCKS

[illegible]

Corporation Bonds

(Furnished by Toronto Bond Traders' Assoc.)

December 30, 1935

Public Utility Issues:	Int. Rate %	Due	Bid Dec. 30	Asked Dec. 30	Bid Dec. 23
‡Avalon 'Phone	5½	'48	100½	...	...
Beauharnois ..	5½	'73	87½	90½	87
Beauharnois ..	5	'73	30	32½	29
*Bell T'phone ..	5	'55	114½	117½	114
*Do.	5	'57	116	119	116
†B. C. Power ...	5	'60	102½	105	102½
†Do.	5½	'60	103½	106	103½
†B. C. T'phone..	5	'60	105½	108	105½
†Calgary Pwr. ..	5	'60	99½	102½	98½
Do.	5	'64	95	98	94½
†Can. Nor. Pr. ..	5	'53	103	105	102½
†Cedars Rapids.	5	'53	112	115	112
Dom. Gas	6½	'45	85½	88½	86½
‖Duke-Price Pr.	6	'66	104	106	103½
*Gatineau Pwr..	5	'56	91½	93½	91½
*Do., A	6	'41	82	85	80
*Do., B	6	'41	81	84	79½
*Int'l. Hydro ...	6	'44	44½	47	45½
†Maclaren-Que..	5½	'61	75	78	76
Do.	5½	'64	74	77	74
*Manitoba Pwr.	5½	'51	74	77	74½
†Mtl. Island Pr..	5½	'57	104½	107	104½
†Montreal Pwr..	5	'51	106½	109	106½
†Montr'l Tram..	5	'55	84	87	84½
†Do.	4½	'55	79½	82½	80
†Do.	5	'41	102	104	102
Nat'l L. & P...	6	'49	95	98	93
*N. B. Power ..	5	'37	89	..	87½
†N. S. L. & Pr...	5	'58	103	106	103
†Ottawa Light..	5	'57	105½	108	105½
†Ottawa Val. Pr.	5½	'70	89½	92½	83½
†Power Corp. ..	4½	'50	89½	93½	89½
*Quebec Pwr. ..	5	'68	104	107	104½
†Shawinigan ...	4½	'70	100	102	100
†Do.	5	'70	104½	107	104½
†S. Canada Pr...	5	'55	104	107	104
†United Secs. ..	5½	'52	79	82	79½
†W. Koot. Pwr..	5	'56	106	108	106
†Western Pwr...	5	'49	105	108	104½
*Winnipeg Elec.	5	'35	99	101	99
*Do.	6	'54	75	78	75
Industrial and Realty Issues:					
Abitibi Pwr. ..	5	'53	39½	42½	39½
†Alta. P. Grain.	6	'46	97	100	96½
‡Asbestos Corp..	5	'42	91½	94½	..
B. A. Oil	5	'45	105	107	105
Do.	4	'45	102	104	101½
†B. C. Pulp & P.	6	'50	79½	82½	..
Burns & Co. ..	5½	'48	83	...	83
Can. Biscuit ..	6½	'46	18	...	17½
Canada Bread .	6	'41	107	110	107
†Can. Cement ..	5½	'47	105	107	104½
†Can. Paper	6	'45	101½	...	101½
‡Can. Ss. Lines.	5	'43	101½	...	101½
Do.	6	'41	41½	44	41½
†Can. Canners..	6	'50	105½	107½	105
*Can. Int. Pap..	6	'49	79	82	...
C. P. R.	4½	'44	98	100	97½
Do.	4	'49	97	99	96½
Can. Rail & H.	6½	'51	40	43	38½
†Can. Vickers ..	6	'47	83	86	80½
Cons. Paper ..	5½	'61	28	31	27
†Dom. Canners.	6	'40	109	...	...
Dom. Sq. Corp.	6	'48	55½	...	55½
†Dominion Tar .	6	'49	102	104	102
†Donnacona P...	5½	'48	57½	60	57½
†East. Dairies ..	6	'49	84½	87½	85
Eaton T. Realty	5	'49	100	...	...
†Fam. Players..	6	'48	103	105	102½
†Do.	6½	'48	100	102	99
†Federal Grain .	6	'49	100	102	99
Fraser Cos.• ..	6	'50	82	...	80½
Do.▲	6	'50	77	...	76
†G. Steel Wares.	6	'52	100	102½	100
Gt. Lakes Pap.	6	'50	43	45	41½
†Gypsum, Lime.	5½	'48	93	96	92
Ham. Cottons..	5½	'48	101	104	...
*Ham. By-Prod.	5	'55	...	99½	97
*Hinde & Dauch	5½	'48	102	105	102
†I. P. & P. Nfld.	5	'68	102	104	102
Int. City Bak...	5½	'48	102½	105½	101½
Inter-City West. Bakeries	6½	'50	...	28	25
Kingston Elev.	6	'50	90½	93½	91
Lake St. John P. & Pa.	6½	'47	90	93	90
†Lon. Can. Inv..	4½	'48	84½	87½	85½
†Massey-Harris .	5	'47	88	90	87½
McColl-Front. .	6	'49	105	107	105
†Mercury Mills.	5½	'53	36	...	36
M. & O. Paper.	6	'45	29	32	28
Mtl. Dry Docks	6	'48	74	...	71½
Price Bros., bds.	6	'43	88	91	88
*Prov. Paper ...	5½	'47	101½	104	101½
*Reliance Gr. ..	6	'48	101½	104½	100½
†Riordon Pulp ..	6	'42	104	...	104
†Rolland Paper.	5½	'48	104	106	104
†Simpsons Ltd. .	6	'49	103½	106	103½
Do.	5½	'49	100½	...	100
†Smith, How'd..	5½	'53	104½	107	104½
‡Steel of Can. ..	6	'40	111½	114½	111½
United Amuse..	6	'42	102½	...	101
United Corpns.	5	'53	90½	...	90½
United Grain ..	5	'48	99½	102½	98½
Do.	5½	'49	101½	104½	101½
‡Wabasso Cotton	6	'47	106½	...	...
Do.	7	'42	107	...	...
Western Grain.	6	'49	82	85	81
Woods Mfg. ...	6	'43	101	...	101
Zimmerknit ...	6	'51	95	100	98

‡Payable in Canada or U. K. †Payable in Can., U. S. or U. K. ‖Payable in U. S. only. *Payable in Can. or U. S. •Unstamped. ▲Stamped.

Unlisted Mines

December 30, 1935

	Bid	Asked
Ardeen	.09½	.10½
Arntfield Syndicate	.93	.98
Athona (Gt. B. L.)	.39	.41
Athabaska Portals	..	.18
Bidgood Kirkland	.17½	.19
Bankfield Gold	.34	.36
Bathurst	.00½	.01½
Bosquet Gold	.08½	.09½
Can. Pandora	.06	.07
Casey Summit	.10	.12
Canusa Mining	.04	.05
Casey Contact	.02	.03
Central Porcupine	.17	.19
Cons. Chib. Free	.95	1.00
Cons. Chib. Pool	..	1.00
Cuniptau	.10½	.11½
El Bonanza	.10	.12
Forty-Four Gold	3.90	4.00
Glenora Gold	.06½	.07½
Galatea	.08	.09
Goldside	.02½	.03½
Gold Eagle	.20	.23
Greenlaw	.04	.05
Hudson Patricia	.10½	.11½
Jellicoe	.05	.06
Johnson Nipigon	..	.02
Kirk. Gold Belt	.07	.08
Knee Lake	..	.22
Lafayette L. Lac	.03	.04
La Palme	.40	.45
Long Lac Lagoon	..	.03½
Lamaque Gold	2.95	3.05
Leitch Gold	.30	.33
MacL. Cockshutt	..	.04
Magnet Lake	.03½	.04
Marbuan	.80	.84
Matatchewan Can.	.12	.14
McCarthy Webb	.05½	.06½
Mosher	.01½	.02½
North Shores	.01½	.02½
Oklend	.25	.27
O'Leary	.07	.08
Omega	.52	.55
Opemiska	1.65	1.70
Rice Lake	.01½	.02½
Shawkey	.62	.64
Sladen	.33	.35
Slave Lake	.58	.62
Smelter Gold	.04½	.05½
South Keora	.04½	.05½
Smith Cobalt	..	.06
Springer	..	.08
Straw L. Beach	.08	.11
Sturgeon R. Gold	.53	.56
Thom.-Cadillac	.03½	.05
Wells Long Lac	.09	.11
Wingold	.05	..
Wendigo	.13	.14
Young Davidson	.15	.17

Winnipeg Stocks

(Transactions from Dec. 23 to Dec. 28)

	Sales	High for period	Low for period	Close Dec. 28
Comm. Secs., A.	7	8.00	8.00	8.00
Cres. Cream., p.	2	30.00	30.00	30.00
Flin Flon	2,300	.29	.28	.27
Gold Lake	1,400	.29	.26	.28
Federal Grain, c.	100	3.00	3.00	3.00
Island Lake ...	1,800	.02½	.02½	.02½
Knee Lake	2,100	.15½	.13	.13
Oxford Mines...	60	.40	.40	.40
West. Grain, pf.	25	16.00	16.00	16.00
United Grain ..	8	.12½	.12½	.12½
Wingold	8,900	.07	.06	.07
Wylie Dom.	4,000	.23	.20	.20

Stocks Not Traded in During Week*

	Bid	Ask.
Beaver Fire Ins.	..	100
Beaver Lumber c.	..	3
Do., pref.	..	69
City Dairy, A	..	10
Federal Grain, pfd.	46	50
Home Investment	..	24
Pelissiers	..	.50
Do., pref.	.25	..
Northern Trust	7	..
Traders Bldg.	65	75
West. Breweries	1.90	2.00

*Stocks more active on other exchanges not included.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr., & Co. Limited)

Quotations as of Dec. 30, 1935 with Comparative Quotations for December 1933 and 1934

Industrial Stocks	Dec. 30, 1933 Bid	Dec. 30, 1933 Asked	Dec. 29, 1934 Bid	Dec. 29, 1934 Asked	Dec. 30, 1935 Bid	Dec. 30, 1935 Asked
Acadia Sugar, com.	1.55	1.70	3.00	3.25	3.75	4.10
Do., 6% pfd.	4.05	4.50	4.70	5.00	4.85	5.15
Acme Farmers Dairy, 7% pfd.					36.00	41.00
Algoma Consolidated Common	Bonds		Re-organized		35.00	40.00
Andian National Corp.	29.00	32.00	38.00	39.50	47.50	49.25
Atlantic Sugar, 7% pfd.	81.00	85.00	102.00	105.00	105.00	106.00
B. C. Pulp & Paper Com.					1.00	2.00
Burns & Co. Ltd. A	Bonds & Pfd.		Re-organized		11.00	12.50
Burns & Co. Ltd., B	....	....	....	....	6.00	7.50
Canada & Dom. Sugar	36.00	38.00	54.00	55.50	58.00	60.00
Canada Paper 7% pfd.			60.00		93.00	
Canada Starch Com.	8.00		11.00		16.00	
Canada Starch 7% pfd.	60.00		72.00		86.00	
Canada Tea pfd.	45.00	52.00	46.00	53.00	32.00	
Can. Tube 1st pfd.			20.00		45.00	
Can. Wire & Cable 6½% pfd.	58.00	63.00	60.00	62.00	92.00	96.00
Can. Industries A Com.	119.00	125.00	191.00	201.00	225.00	
Can. Industries B Com.	117.00	121.00	190.00	193.00	222.00	225.00
Can. Industries 7% pfd.	125.00	128.00	149.00	152.00	160.00	165.00
Can. Paperboard Pfd. bonus	Bonds		Re-organized		4.25	6.00
Can. Westinghouse	40.00	44.00	46.75	48.00	64.00	66.00
Chase, A. W. 2.00 pfd. bonus	16.50	19.00	23.00	25.00	25.00	27.00
Dom. Found. & Steel Com.	4.00	5.50	9.00	10.00	31.00	
Dom. Found. & Steel Pfd.	39.00	43.00	71.00	75.00	90.00	
Donnacona Paper A					4.00	6.00
Dunlop Tire 7% pfd.	60.00	64.00	69.00	71.00	52.00	60.00
Eastern Dairies 7% pfd.					15.00	17.00
Edmonton City Dairy 6½% pfd.					56.00	
Federal Grain Com.					2.75	3.25
Federal Grain 6½% pfd.	13.00	17.00	40.00	42.00	46.00	50.00
Goderich Elevator & Transit	6.00	6.75	6.50	7.50	6.75	....
Greening Wire 7% pfd.	50.00	55.00	78.00	82.00	101.00	105.00
Guelph Carpet 6½% pfd.	73.00	76.00	92.00	94.00	101.50	103.00
Guelph Carpet Com.					16.50	18.50
Highland Dairy Com.					2.75	3.25
Highland Dairy 7% pfd.					72.00	80.00
Inter City Baking Com.	16.50	18.00	17.50	19.00	18.00	21.00
Inter. Met. Indust. A 6% pfd.					27.00	30.00
Maple Leaf Gdns. 7% pfd.					4.00	4.75
Mercury Mills 6% pfd.					6.00	
Morrow Screw 7% pfd.					93.00	
New Method Laund. 6½% pfd. bonus					73.50	
Provincial Paper 7% pfd.	70.00	74.00	95.00	97.00	97.50	99.00
Reliance Grain 6½% pfd.	35.00	39.00	66.00	68.00	85.00	88.00
Robinson Consol. Cone					10.00	11.50
Ruddy, E. L., 7% pfd.					31.00	
Silverwood's Dairies Pfd.					40.50	
Standard Fuel 6½% pfd. bonus	66.00	70.00	101.00	102.00	105.00	107.00
Supertest Petroleum B Pfd.	19.00	21.00	24.00	25.50	27.75	29.50
Toronto Carpet Pfd.	30.00		25.00	31.00	29.00	37.00
United Steel A Pfd.					4.90	5.40
West. Grain 6½% pfd. bonus	6.25	10.00	9.00	10.00	16.50	20.00
Western Grocers 7% pfd.					106.00	
Willards Chocolates 6½% pfd.					106.00	
Trust & Loan Stocks						
Chartered Trust	55.00	60.00	70.00	75.00	77.50	81.50
London & Western Trust	44.00	50.00	45.00		36.00	
Premier Trust					89.00	
Sterling Trust		45.00		45.00	30.00	
Traders Finance B 7% pfd.	34.00		48.50	52.00	65.00	
Trusts & Guarantee					29.00	32.50
British America Assce.	23.50	26.00	34.50	37.00	36.00	38.00
Canada Life Assce.	400.00	420.00	450.00		505.00	525.00
Canadian Fire Ins.	55.50	60.00	68.50		76.00	78.50
Canadian Ins. Shares Com.					10.00	11.50
Confederation Life 20% pd.	121.00	126.00	120.00	125.00	114.00	119.00
Continental Life 20% pd.	35.50		37.00	40.00	36.50	39.50
Crown Life Ins.	95.00%	105.00%	105.00%		110.00%	
Dominion Fire Ins.	85.50	90.00	95.00	104.00	112.00	118.00
Dominion Life 50% pd.	155.00		185.00		261.00	300.00
Dom. of Can. Gen. Ins.	102.00	110.00	95.00	102.00	80.00	
Empire Life 25% pd.					6.00	7.00
Excelsior Life 30% pd.	70.00		71.00	75.00	69.00	71.00
Federal Fire 25% pd.	35.00		34.00	36.00	35.00	37.00
Fidelity Ins. of Can.	46.00			60.00	45.00	51.00
Great West Life Assce.	310.00	335.00	420.00	440.00	392.00	400.00
Guar. Co. of N. A. fully pd.	200.00	225.00	220.00		245.00	
Halifax Fire Ins.					20.00	21.50
Imperial Life	265.00	280.00	305.00		330.00	
Manufacturers Life Ins.	210.00	220.00	243.00	250.00	248.00	255.00
Monarch Life 10% pd.	17.50	20.00	19.50	22.00	18.00	
National Life 25% pd.	51.00	60.00		59.00	51.00	
Sovereign Life 25% pd.	18.00	24.00	12.00	17.00	16.00	
Sun Life Assce.	400.00	415.00	325.00	340.00	420.00	435.00
Toronto General Ins.					4.25	5.25
Western Assurance Com.	14.00	18.00	33.00	35.00	35.50	38.50
Western Assurance 12% pfd.					39.00	41.00
Theatre Stocks						
Allens Beach, pfd.					60.00	
Do., Calgary Ltd. Com.					7.50	9.00
Do., Kingston Pfd.					53.00	
Do., Parkdale Pfd.					42.25	45.00
Do., Toronto 7% pfd. bonus com.					28.00	31.00
Eastern Theatres Comm.					5.25	8.00
Do., Pfd.					80.00	85.00
Loew's London 7% pfd.	3.25	4.25	3.80	4.00	1.90	2.10
Mansfield Theatre Pfd.					28.00	
Paramount Kitchener Pfd.					30.25	35.00
Paramount Oshawa Pfd.					60.00	
United Amusement A					14.50	
Do., B					13.50	
Investment Trust Shares						
Can. Gen. Invest. Ltd.	4.70	5.00	6.00	6.25	7.50	7.90
Can. Investors Corp.					7.25	8.00
Can. Int. Invest. Trust Units					31.00	
Cons. Div. Standard Sec. Units			9.00	11.00	10.50	11.75
Debenture & Sec. 5% Pfd.	10.00		15.00		35.00	
Dom. Scottish Invest. Units	15.00	19.00	21.50	23.00	25.00	27.50
Foreign Power Sec. 6% pfd.					7.50	10.00
Investment Foundation Units	26.50	29.00	40.50	42.50	42.00	
Sec. Holding Corp. Units			10.00	12.00	15.00	18.00
United Corpns. Ltd. A	6.00	7.00	14.25	15.75	22.00	23.50
Do., B	1.25	1.50	4.50	5.25	7.50	8.50
Power Issues						
Calgary Power 6% Pfd.	76.00	79.00	94.00	96.50	80.00	82.00
Can. Light & Power Com.	16.50	20.00	21.75	23.00	21.00	24.00
Can. Public Serv. 6½% Pfd.					28.50	
Can. West. Nat. Gas LH&P Pfd.	76.50	80.00	95.00	97.00	89.00	91.50
Do., Com.	16.50	20.00	25.00		23.00	
Great Lakes Pwr. 7% pfd.		45.0	50.00		80.00	
N. B. Telephone Com.					10.50	12.00
Nor. Ont. Power 6% Pfd.					99.50	101.00
Nova Scotia L&P 6% pfd.	72.00	75.00	94.00		99.00	102.00

DIVIDEND NOTICES

The Toronto Mortgage Company

QUARTERLY DIVIDEND

NOTICE is hereby given that a dividend of Three per cent., upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after 2nd January, 1936, to Shareholders of record on the books of the Company at the close of business on 14th instant.

By Order of the Board,

WALTER GILLESPIE,
Manager.

Montreal Tramways Company

Notice is hereby given that a dividend of TWO DOLLARS AND TWENTY-FIVE CENTS ($2.25) per share, for the quarter ending December 31st, 1935, has been declared upon the paid in Capital Stock of the Company, to Shareholders of record on Monday, the 6th day of January, 1936, at 4 o'clock p.m. and payable on Wednesday, the 15th day of January, 1936.

By order of the Board,

PATRICK DUBEE,
Secretary-Treasurer.

Monday, December 16th, 1935.

SOUTHERN CANADA POWER COMPANY LIMITED

Common Dividend No. 43

A DIVIDEND of Twenty Cents (20c) per share, being at the rate of 80c., per annum, on the no par value COMMON STOCK of Southern Canada Power Company, Limited, has been declared for the quarter ending January 31st, 1936, payable February 15th, 1936, to shareholders of record at the close of business on January 31st, 1936.

By order of the Board,

L. C. HASKELL,
Secretary.

Montreal, December 20th, 1935.

Canadian Bronze Company Limited

DIVIDEND NOTICE

THE quarterly dividend of 1¾% on the PREFERRED STOCK of CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 1st day of February, 1936, to Stockholders of record as of the 20th day of January, 1936.

Also a quarterly dividend of Fifteen (15c) Cents per share, together with an interim dividend of Fifty (50c) Cents per share, have been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months January 31st, 1936. Payable the 1st day of February, 1936, to Stockholders of record as of the 20th day of January, 1936.

By Orders of the Board,

W. C. PAQUETTE,
Secretary.

Montreal, P.Q.,
December 27th, 1935.

NOTICES

The Canadian Bank of Commerce

The annual meeting of the shareholders of this Bank, for the election of Directors and for other business, will be held at its banking house, No. 25 King Street West, Toronto, on Tuesday, the 14th day of January next.

The chair will be taken at 11.30 o'clock a.m.

By order of the Board,

S. H. LOGAN,
General Manager.

Toronto, 22nd November, 1935.

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, 29th January, 1936, at the hour of 2.30 o'clock in the afternoon.

By Order of the Board.

DUDLEY DAWSON,
General Manager.

Toronto, 12th December, 1935.

Anglo-Canadian Telephone Company

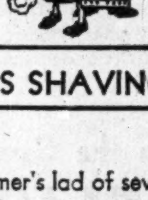
Class A Dividend Notice

Notice is hereby given that a dividend of One Half of One Per Cent (½ of 1%) has been declared on the Class A Stock of the Company, payable December 31, 1935, to Stockholders of record at the close of business on December 30, 1935.

By Order of the Board.

GEOFFREY PURDY,
Secretary.

Montreal, December 31, 1935.



INGRAM'S SHAVING CREAM

In 1874, a farmer's lad of seventeen ran away to become a telegraph operator. Then he became a drug clerk and at twenty, Frederick F. Ingram bought a drug store in Ypsilanti, Michigan.

Ingram's Shaving Cream was brought out in 1915, and particularly since its purchase by Bristol-Myers Company in 1927, it has won a strong following among Canadians.

Advertising of this company appears in—

Maclean's
Canada's National Magazine

Company Earnings

Canada Cement

Canada Cement's financial statement for the twelve months ended November 30 last, shows practically no change in earning power or working capital position. There was a considerable improvement in the use of cement for buildings for small users, but on the other hand there was a falling off in road and street paving and in municipal work generally. While the increase in the one and the decline in the other nearly balanced, there was, on the whole, a small decrease in consumption.

The balance sheet reflects strengthening. Funded debt shows a reduction during the year of slightly better than $700,000. There was no change in the outstanding deferred stock. Through absorption of the National Cement Co. and acquisition of other units, property account increased during the year, after depreciation, from $38 millions to $40.7 millions.

Income and Surplus Account
Years Ended Nov. 30

	1935	1934
	$	$
Gross earnings	▲2,193,151	[illegible]4,113
Less: Deprec.	1,000,000	[illegible]0,000
Bond int.	1,038,913	[illegible]1,194
Net earnings	154,238	[illegible]1,919
Less reserves:		
Prem. on bonds	20,759	......
Repairs & renew.	......	[illegible]5,000
Execut. remun.	65,162	......
Directors' fees	9,690	11,755
Legal exp.	1,463	......
Prov. for taxes	19,470	......
Net profit	37,694	5[illegible],165
Add: Prev. surplus..	945,294	839,595
Adj. re prior yrs.	52,658	50,535
Balance forward	1,035,646	945,295

§ Includes int. on investments of $207,838. ▲Includes operating profit $2,015,000, other income $178,140.

Working Capital

	1935	1934
	$	$
Current assets	4,457,799	4,604,990
Current liabilities	438,944	507,394
Working capital	4,018,855	4,097,596
Ratio	10.16—1	9.08—1

Metal Prices

New York—Dec. 30—
Copper: Electrolytic spot and future, $9.25.
Silver: 49¾c.

London—Dec. 30—
(Long Ton)—
Copper: Electrolytic spot, £39 5s; future, £39 15s. Standard spot, £35 2s. 6d; future, £35 10s.
Tin: Spot, £217 17s. 6d; future £206 2s. 6d.
Lead: Spot, £15 7s. 6d; future, £15 10s.
Zinc: Spot, £14 7s. 6d; future, £14 7s. 6d.
Gold: 141s. 3d.
Silver: 22-1/16d.

Canada—Dec. 30—
Gold: $35.07.

Silver Prices

Trading in Montreal
Dec. 23 to Dec. 28

	High	Low	Close	Contracts
Dec.	50.25	50.25	50.25	5
Jan.	46.75	46.60	49.75	8
Feb.	47.00	47.00	46.00	5
Mar.	50.50	45.50	50.50	34
May	50.50	45.00	50.50	18
July	45.75	45.00	49.50	4
Sept.	45.50	45.00	49.50	3

DIVIDEND NOTICES

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of January, 1936:

On the Preferred Stock, one and one-half per cent. (1½%), payable on the 1st day of February to Shareholders of record on the 21st day of January, 1936.

On the Common Stock, Seventy-five Cents (75c) per share, payable on the 15th day of February to Shareholders of record of the 5th day of February, 1936.

By Order of the Board,

C. B. ROBINSON,
Secretary-Treasurer.

Montreal, December 30, 1935.

$5,500.00 WANTED

8% INTEREST

Secured by First Mortgage on $50,000.00

Profitable Going Concern

Object Re-financing

Apply Box 270
The Financial Post
TORONTO

Week In Wheat

World Shipments Shrink

• • • •

Watch Canadian Visible

From Our Own Correspondent

WINNIPEG.—Extremely small world shipments of wheat last week, only 4.8 million bushels, constituting a record low for many years, caused some alarm in Liverpool. It resulted in an upturn of prices there, and was reflected by an increased demand for wheat on the Winnipeg market.

The fact that Argentine shipments were almost negligible reflects the fact that a trading basis for new crop Argentine wheat has not yet been reached. More significant was the drying up of Black Sea shipments. Australian exports were comparatively small, but are expected to be larger as movement of new crop wheat gets under way.

Offerings on behalf of the wheat board continue to come into the market to match any demand developing from overseas.

The decline in figures for Canadian visible supply which has set in, is expected to have an influence in stimulating overseas interest in Canadian wheat and to promote forward booking.

Market Confident

ALTHOUGH holiday dullness has prevailed in the wheat market during the past week there is a continuance of the confident tone that has been developing recently.

The heavy buying of Canadian wheat which occurred since the new Wheat Board took office has yet to be translated into heavy movement of wheat from Canada overseas. But exporters' activity in fixing forward freight, and in securing specific quantities of various grades of wheat in various positions encourages expectations that actual heavy exports will soon begin.

One factor, sometimes overlooked, that is delaying bigger world shipments, is the way in which British and Continental markets have been drawing on reserves represented by supplies afloat. As the percentage of Argentine wheat in world trade grows smaller, so also grows smaller the six weeks supply of such wheat constantly at sea. Argentine shipments have been shrinking during the past month, but the full effect of that reduction has yet to be registered in reduced supplies reaching European ports. When finally felt an increase is expected in demand for shipment by the short route from North American Atlantic ports.

• • •

Price Ratio Unfixed

PRICE relationship between new crop Argentine wheat and Canadian is yet to be established in the international market. Argentine quotations at Liverpool are sometimes purely nominal, and sometimes represent conclusion of transactions begun some time ago. One possible development, however, is the practical exclusion of Argentine wheat from the British market by the duty of six cents a bushel, and the absorption by the Continent of all the wheat that Argentine can spare for export.

Argentine wheat has not previously been shut out at all from the British market by the duty. In fact Argentina has sold a great deal more wheat to Great Britain since the imposition of the duty than before. But with so small a surplus as she has for export this year it is possible that Argentina will not find it necessary to cut her asking price by the amount of the duty, as sufficient outlet may be found on the Continent where no such discrimination exists between Argentine and Canadian wheat.

• • •

New Board Figures

THE by-election in Assiniboia has brought out some official Wheat Board figures hitherto unpublished. Hon. James Gardiner, minister of agriculture and government candidate, disclosed that when the King Government took office late in October, wheat holdings were 298 million bushels. Of new crop wheat the Wheat Board had taken in 108 million bushels, and had sold only 18,000,000 bushels during a 16-week period. The new Wheat Board, he said, had sold 43 million bushels during a period of two weeks, when Argentina raised her minimum price. After allowing for 8 million bushels of new wheat acquired by the board during the same period, this represented a net reduction of holdings of 35 millions.

• • •

That 1930 Bonus

ON THE question of the $8 millions payment to pool members which was promised just before the election, Mr. Gardiner explained that John I. McFarland, as head of the former pool central selling agency, had segregated 76 million bushels of wheat belonging to pool members from his stabilization wheat purchases, and a value of 60½ cents a bushel had been placed on it at that time. Mr. McFarland had agreed with the pools that farmers who had received less than 60 cents a bushel for their pool wheat in 1930, should receive enough additional to bring their payments up to 60 cents, although the actual accumulated cost of such wheat to date when the Wheat Board took office was $1.05. Payment was subject to audit now in progress. If auditors declined to approve of proposed payment, it would be necessary for a new agreement to be negotiated.

• • •

British Resistance

UNDOUBTEDLY both British and Continental millers are showing a resistance to improving the standard of their flour as would naturally be expected from using more Canadian and less Argentine wheat. This resistance is expressed by a willingness to pay almost as much for Argentine as for Canadian wheat, and by increased purchases of Australian. This does not necessarily represent prejudice against Canada or Canadian wheat, but is mainly an indication of the tendency of the flour trade to demand uniformity.

Once bakers have accustomed themselves to use of a certain type of flour, and have adjusted their baking practice to its use, they do not want their routine disturbed by changes in flour quality, even when such changes would be regarded as improvements.

• • •

Reply to McFarland

CANADIAN Wheat Board, in issuing some figures as to Canada's export surplus of wheat last week, did not indicate that it was replying to John I. McFarland's recent statement that the selling of Canadian wheat had reached the picnic stage. Nevertheless the figures quoted might be taken as constituting a reply. Taking the figures for carry-over, for new crop production and for exports up to December 14, including those to the United States, and allowing the usual 115 million bushels for Canadian consumption, they showed that weekly exports for the remainder of the season at an average rate of four million bushels would leave a carry-over at the end of the crop year of 168 million bushels. To reduce the carry-over to 50 million bushels by July 31 would require average weekly exports at the rate of 7.5 million bushels.

Wheat Prices

(Cash Quotations)

At Winnipeg:	For week Dec. 30 High	For week Dec. 30 Low	Prev. week High	Prev. week Low
	$	$	$	$
1 Man. Hard	.85⅜	.84¾	.86½	.85¼
1 Northern	.84¾	.84⅛	.86	.85
2 Northern	.81¾	.81⅛	.83	.82
3 Northern	.77⅝	.76¾	.78	.77
4 Northern	.73⅞	.73¼	.74¼	.72⅝
5 Wheat	.65⅜	.64¾	.65¾	.62½
6 Wheat	.58⅜	.57¾	.59	.58⅛
Feed Wheat	.46⅞	.45⅝	.47½	.46⅝

Competitive Export Prices: (December) shipment:

	High Week to Dec. 27	Low Week to Dec. 27
	$	$
No. 1 North. (Vanc.)	1.06¾	1.06⅛
No. 2 North. (Atlan.)	1.01¾	1.00¾
No. 2 North. (Vanc.)	1.03¾	1.03
Argentine Rosafe*	1.05⅜	1.05⅜
Do., Barusso*	1.05⅝	1.05⅜
West Australian (Dec.)	0.94¾	0.93¾

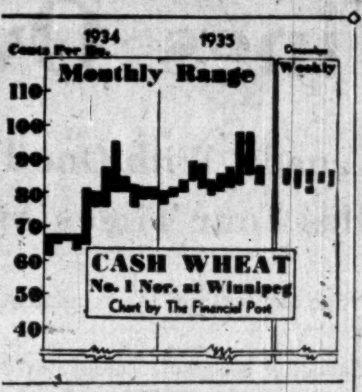
*New crop, shipment Jan.-Feb.

Winnipeg Grain Prices

Week to Dec. 30, 1935

Crop year from Aug. 1, 1935 High	Low		Open Dec. 24	High for week	Low for week	Close Dec. 30
		Wheat				
.98¼	.82	Dec.	.84¾	.84⅛	.83¾	.84¾
1.02⅛	.85⅝	May	.88¼	.88⅝	.87⅝	.88⅛
.92⅞	.86½	July	.88⅛	.88⅝	.87¾	.88¾
		Oats				
.33⅛	.27⅛	Dec.	.30⅝	.30¾	.29⅞	.30⅝
.35⅜	.29⅝	May	.31⅞	.32⅝	.31⅝	.32⅛
.33⅝	.30	July	.32¼	.32⅝	.32⅛	.32⅝
		Barley				
.39½	.31¼	Dec.	.....	.36	.35⅝	.35⅝
.42½	.34⅝	May	.37⅛	.38⅝	.37⅝	.38¼
.39⅞	.35⅝	July	.....	.39¼	.38⅝	.38⅞
		Flax				
1.55⅛	1.19¾	Dec.	1.52	1.55½	1.52	1.55
1.54⅞	1.33	May	1.50⅞	1.54⅛	1.50⅛	1.54
1.54¼	1.40¼	July	.....	1.54¼	1.50¾	1.53⅝
		Rye				
.49⅛	.37⅝	Dec.	.....	.43½	.42⅛	.43½
.51⅞	.41¼	May	.45¼	.46½	.45⅛	.46⅝
.47⅝	.43⅝	July	.46⅛	.47⅝	.46	.47⅛

West Faces Difficulty Securing Seed Supply; Lacks Credit and Grade



Local Shortages Will Mean Considerable Shifting of Stocks

SEE SOME FINANCING

Rust and Frost Damage and Absence of Money in Certain Areas Affect Supply

From Our Own Correspondent

WINNIPEG.—Farmers, grain companies, municipalities and provincial governments are beginning to worry about the supply of seed for this spring sowing. The first job will be to locate good seed and the second will be to finance it.

Fortunately the situation is not as serious as was at first feared. Tests have shown that a high percentage of the low grade wheat produced in 1935 will germinate. This applies both to the light weight wheat damaged by rust, and the heavier grain in the north that was hit by frost. Farmers who have rusted wheat, it has been found, can recover from it a good deal of fairly heavy wheat by the use of the fanning mill.

Funds

For the funds to buy seed grain the provincial governments are inclined to refer the municipalities to the banks. A number of them doubtless can do so, but where the need for seed grain is the greatest, the municipality is likely to be in the greatest difficulty. It will be difficult for the provincial governments to avoid giving some guarantees.

Almost certainly some land which otherwise might have been cropped will remain idle next year because of the lack of the seed. But for the most part this will be the land in poorest state of preparation. Inferior seed may also play a part in reducing the 1936 crop.

The greatest difficulties are likely to occur in connection with oats, which suffers loss in germinating ability to a greater extent than wheat.

When a farmer completely lacks suitable seed, and has to buy a supply, he may get it from a neighbor, which includes any one within trucking distance, from supplies available in the local elevator, or from grain shipped in. He may have to use seed that is of a different variety from that which he has been growing, or some that is an undesirable mixture of several varieties. Mixtures of Garnet and Marquis types are fairly common, as well as highly objectionable, and it may be difficult to avoid them entirely.

All the elevator companies are now allowing farmers to trade low quality grain for good grain that may be in the elevators. To a limited extent they are already shipping some grain from one point to another, so it may be disposed of for seed. Canadian Wheat Board stocks in the country have been made available for sale as seed.

New Seed

At least one grain company has made a considerable importation of the new rust resistant Thatcher wheat from the northern states. This will be distributed in those areas in Southern Manitoba and Southern Saskatchewan susceptible to serious menace. This wheat is already available in fairly good sized commercial quantities whereas the new Canadian government Jubilee rust resistant variety will only be ready for extensive field trials this spring.

Credit

All this does not solve the problem of the farmer in the former drought areas, who has neither seed grain, money nor grain to trade. At one time such a farmer could secure seed by giving a lien on the crop to be produced. Sometimes it was the bank, sometimes the mortgage company, and sometimes the local elevator company which came to his assistance. But farm finance today is now so involved both by the weight of debt and by debt adjustment legislation, that this sort of credit is considered decidedly risky. Provincial governments will be inclined to tell such farmers to turn to the local municipal council for help. Need is felt for keeping such matters as closely under local supervision as possible.

Stop & Shop

Stop & Shop has been experiencing increases in sales too, but the company's financial position is not entirely satisfactory.

STEADIER DEMAND HELPS VANCOUVER TRADE IN WHEAT

Present Market Favors Long Period Shipment —Prices Even

From Our Own Correspondent

VANCOUVER, — The Vancouver grain trade is much encouraged over the prospects for business through the port for the remainder of the season.

At one time it looked as if the port would do only a small percentage of the Canadian business this season. But the outlook has been changed by the booking of millions of bushels of wheat for shipment during the winter months, and the fixing of freight contracts far in advance. And that has occurred in spite of the very large quantities of wheat in position in eastern Canada and the United States for winter shipment.

Price Ratio Improves

The change is also indicated by the relation of Vancouver and Winnipeg prices. Instead of being at a considerable discount under Winnipeg prices, as was the case during the early part of the season, Vancouver prices on practically all grades have lately been at a substantial premium.

The ocean freight rate from Vancouver to Great Britain is as a rule approximately equal to the combined cost of lake, rail and ocean transport from the head of the lakes to the same destination. From the western part of Alberta rail freight rates are somewhat lower to Vancouver than to the head of the lakes, so the normal expectation is that grain from that area will find its way to market through Vancouver. Variations in the percentage of business done through Vancouver as compared with eastern ports tends to move east or west of the line in Alberta which divides eastbound from westbound grain, while there are usually some points which ship wheat of one grade west and of another grade east.

Fluctuations

The fluctuations in ocean and lake rates are not the only factors in determining the extent of business done by Vancouver. A highly important factor is the way in which importers are buying. When they are hesitant and unwilling to commit themselves for wheat supplies to be milled only a few weeks ahead, it is hard to interest them in Vancouver shipments that may take six or seven weeks to reach destination. At other times, when they are interested in providing for requirements several months ahead the long ocean voyage is actually an advantage, in that the freight rate takes care of storage costs for a considerable period. Just now millers are buying ahead, and that accounts both for the substantial bookings being made for shipment from this port, and for the comparatively strong price situation here.

Lake Freight Bookings Are Already Reported

From Our Own Correspondent

WINNIPEG.—Lake freight is already being booked to a substantial extent for the opening of navigation in the spring, and exporters have made purchases of various grades of wheat for that date. The rate currently quoted is the same as that in effect during most of the latter part of the season, on a six cent basis to Montreal. Not for a long time has business of this type been in progress at so early a date, and the change is an indication of the change in atmosphere which has come over the grain business.

Up to the close of navigation most of the wheat shipments down the lakes were handled by the government agency, to a total of possibly 60 or 70 million bushels. The extent of business done by the government agencies had a tendency to keep other interests out of the forwarding business. The extent of government owned stocks in the east is still something of a deterrent in this respect, but the interest taken in forward business is an indication that the trade expects a large part of the eastern stocks to be disposed of before spring.

Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington, follows:

United Kingdom—Trade continues to improve. Unemployment is declining and volume of foreign trade gaining.

Belgium — Business sentiment shows further increase in optimism. Foreign trade situation has become more encouraging, outlook is optimistic.

Germany—Wholesale price index reached a record high level in November.

Hungary—Foreign trade for 9 months shows a considerable gain in exports.

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Robin Hood Flour
Robin Hood Oats

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Edmonton — Vancouver — Winnipeg
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LICENSED AND BONDED WITH THE BOARD OF GRAIN COMMISSIONERS

Week in Mining

Seven Records in A Single Year

* * * *

Speculation, Gambling and Investment

With the holiday atmosphere creating a listless and featureless market, chief interest in the past week continued to centre on annual stock-taking.

To this occupation, the annual mineral estimate of the Dominion Bureau of Statistics released with this issue of The Post, added a decided zest.

It will be seen that Canada established for herself a record for production in no less than seven minerals in 1935. In total value, production came within striking distance of the 1929 figure, when a peak value was reached.

First Fruits

THIS fact alone would make the annual estimate of more than usual interest. But an examination of the figures reveals other important trends.

It is generally known that when gold prices soared from $20.67 per ounce to over $35 per ounce, Canada's big gold producers established a policy of treating so-called marginal ore, ore that was not profitable at gold prices, but was at $35 gold. It has been made abundantly clear in the past that this farsighted policy has prolonged the lives of Canada's gold mines by an inestimable time. This policy tended to depress the amount of gold produced in Canada for a period. But at the same time, higher gold prices spurred the search for new properties.

The first fruits of this search are apparent in the annual production figures, which show that Canada has produced in 1935 nearly 250,000 ounces more gold than in 1929, previous peak year.

* * *

Prices Strikingly Higher

THE prices which Canadian mines received for their products were higher all along the line. The average price of gold during the year was $35.19 per ounce, compared with an average of $34.50 per ounce in 1934. Due largely to the flurry in silver brought about by the silver purchase policy of United States, the average price of this metal in 1935 was 63 cents per ounce, as against 47 cents in 1934. Prices of copper, lead, and zinc all increased.

With these facts behind it, Canada is in a strategic position to break down the 1929 mineral production record in 1936.

* * *

Investing vs. Gambling

TO MOST people, the terms "investment," "speculation" and "gambling" mean three very definite and separate forms of handling one's money.

That the dividing line between an investment, a speculation and a gamble is not as sharp as they might appear, is the subject of a short essay in the January market letter of Wolverton & Co., veteran Vancouver stock brokers, and occupants, for over 25 years, of seat No. 1 on the Vancouver Stock Exchange.

Because the letter deals with a vital subject, and is of considerable interest to those interested in mining stocks, excerpts appear below:

"During pre-war days, almost any government bond was rated high in the scale of relative safety. It is said that many years ago, a very large trust fund controlled by the Rothschilds was split five ways to ensure maximum safety. It was placed in Austrian, German, Russian, French and English government bonds, all of which carried a maximum investment rating. History has, however, demonstrated the unfortunate result. Sixty per cent of those triple A securities have been washed out altogether. The element of speculation just could not be eliminated."

* * *

Gamblers, Not Speculators

EVERY successful speculator realizes the impossibility of making a profit from 100 per cent of his commitments, but the average in a country of unsurpassed natural resources largely undeveloped, should be high, the letter continues. In this regard, the record of sound Canadian mining issues during the past two years has been uniformly good.

"Unfortunately the great majority of the stock-trading public in British Columbia who call themselves speculators are pure gamblers. Many of them, particularly those interested to the extent of a few hundred dollars only, are more interested in chalk marks on stock exchange boards than in intrinsic values based upon efficient development of natural resources... They pay no attention to accurate reports of development in the field; nor of the axiomatic necessities for mining success, namely, mine, management, money, market, transportation, all of which are absolutely necessary to the success of any mine."

* * *

Capital to Mining

CAPITAL is notoriously shy. Its flow within a country is therefore a fairly good indication of the trend of public confidence.

As shown in tables published elsewhere on this page, capital steadily increased its stake in the Canadian mining industry during 1932, 1933 and 1934. This fact indicates that the fairly widespread legend that mining is a "skin game," or too speculative is dying out. During these three years, Capital in general could hardly be said to be looking for speculations. The memory of 1929 was too vivid in the minds of those controlling it.

The figures contained in these tables are significant of many things besides the obvious fact that public confidence in the mining industry is growing. It is significant because invested capital means employment, not only within the industry, but in correlated industries.

The figures are also significant because they tell a story of increasing employment, decreased relief lists and growing purchasing power. They are significant because they mean increased production, and therefore increased national wealth.

The tables in which these figures are compared over a three year period are worthy of the attention of all Canadians.

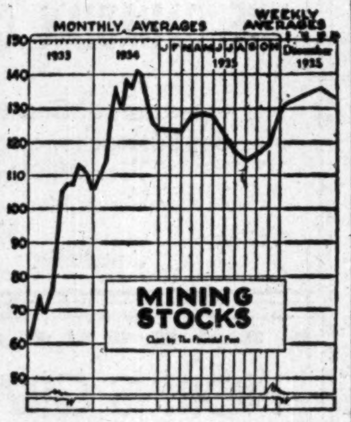
* * *

Index of Mining Stocks

PROFIT-TAKING was largely responsible for the general index for twenty-three mining stocks registering its first decline since October 24. The index was 133.3 for the week ending December 19 as compared with 136.7 for the week ending December 12. For the corresponding week of 1934 the index was 125.8.

The gold group was generally lower resulting in this index declining from 118.2 for the week of December 12 to 117.2 for the week of December 19. The comparative index for 1934 was 125.5.

Heavy liquidation caused the base metal group to lose most of its gain. The base metal index fell from 211.7 for the week ending December 12 to 199.3 for the week ending December 19. For the same period last year it was 130.5.



GRULL WIHKSNE APPROVES DEAL WITH BAYONNE

Company Will Acquire Half Capitalization of Bayonne

From Our Own Correspondent

VANCOUVER. — Shareholders of Grull-Wihksne Gold Mines ratified at an extraordinary meeting here the tentative deal negotiated by directors for acquiring 1 million of the 2 million share capital of Bayonne Consolidated Gold Mines in the Kootenay Lake district.

Some of the terms of the deal were outlined recently in The Financial Post One condition is that the company will proceed with construction of a cyanide mill of at least 50 tons capacity by Oct. 1, 1936, as provided in the original agreement between Bayonne and James W. Gerard, son-in-law of the late Marcus Daly, who controls the Montana company which holds title and which has spent more than $150,000 in development. A flotation plant had originally been contemplated, but cyanide treatment was later recommended.

Payment of the purchase price of $100,000 from royalties at the rate of 32½ per cent from smelter returns was specified in the original agreement, but Grull-Wihksne succeeded in having this quota modified to 20 per cent upon ore of the gross value of $25 or less, and 32½ per cent upon ore of greater value. The whole purchase price must be met within five years of April 1, 1935.

Nesbitt, Thomson Finances Work at Sladen Malartic

Shareholders of Sladen Malartic Mines, meeting in Ottawa, approved an agreement which directors have entered into with Nesbitt, Thomson & Co. in regard to financing. It is expected that full details of this agreement will be made public in a few days, and that an offering of Sladen Malartic shares will shortly follow. Shareholders also agreed to increase the number of directors from five to seven.

Sladen Malartic holds about 3,500 acres in Northern Quebec, a part of which adjoins Canadian Malartic and East Malartic Mines.

Chibougamau, Rose Lake, Are Covered in New Map

A colored map covering that portion of Quebec embracing Lake Chibougamau and extending westward to Lake Waswanipi and Rose Lake, has just been issued by the Geological Survey, Department of Mines, Ottawa. This area has attracted considerable attention during the year.

The map, on a scale of one mile to the inch, is based on investigations made in the area in 1930 by J. B. Mawdsley and in 1934 by G. W. H. Norman. Marginal notes describe the physical features geology, structure and economic geology of the area, and the map shows the location of mining properties, geological boundaries, the dip and strike of strata and the locations of faults.

Copies of the map may be obtained from the director, Bureau of Economic Geology, Department of Mines, Ottawa.

Wings Over Canada

Why Canada, With One-Tenth the Population of U. S. Has Four Times As Much Aerial Freight

With less than one tenth of the population, Canada is flying four times as much freight as United States.

In 1933, Canadian aeroplane companies carried about 4.2 million pounds of freight. In 1934, this figure had risen to about 14.7 million pounds. The year 1935 will show another healthy increase.

Between 1932 and 1934, the loads of Canadian aeroplanes multiplied four and a half times, whereas aerial freight carryings in United States increased by only ten per cent.

* * * *

In 1935, Canada's aeroplane traffic was about 243 per cent greater than in 1934. For this remarkable record, thanks is due to only one industry—mining. The mining industry is responsible for about 90 per cent of Canada's aerial freight carryings.

Much has been written about how much aviation has done for mining. Here is what mining has done for the aviation industry.

* * * *

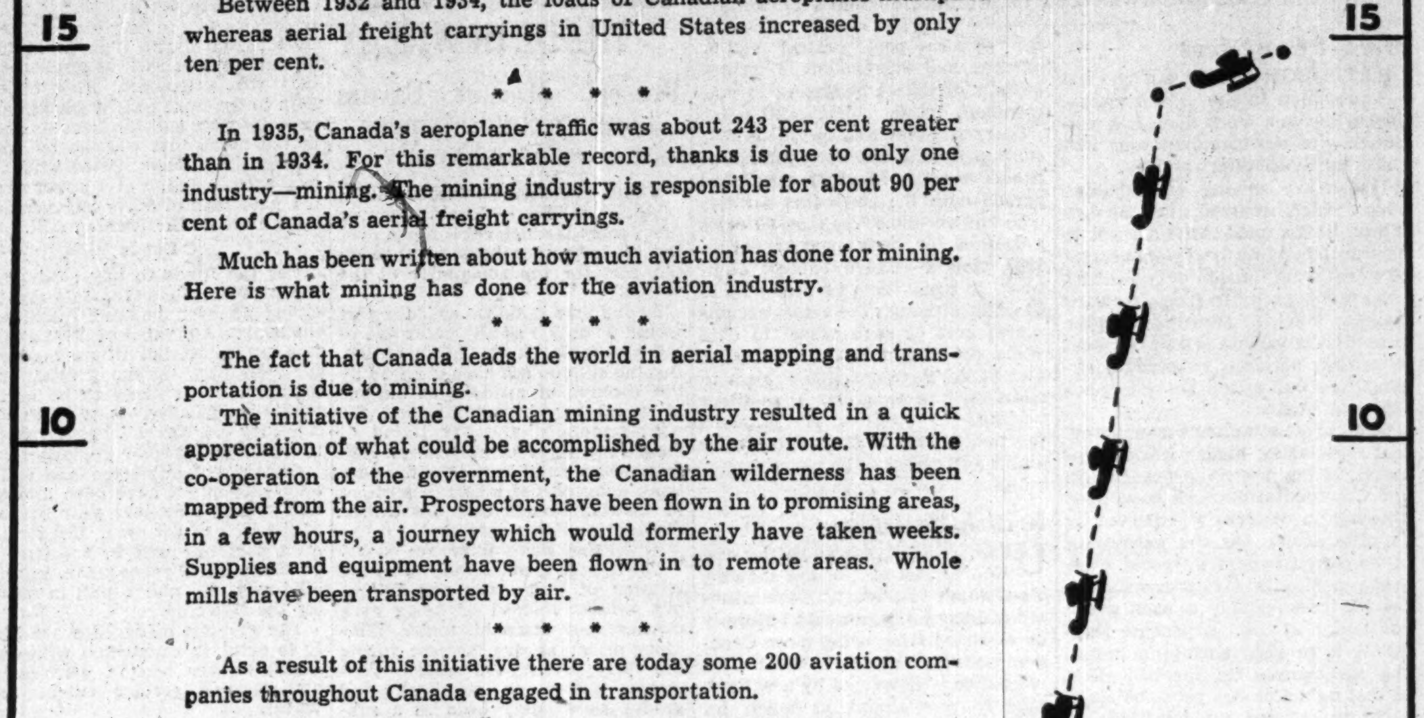
The fact that Canada leads the world in aerial mapping and transportation is due to mining.

The initiative of the Canadian mining industry resulted in a quick appreciation of what could be accomplished by the air route. With the co-operation of the government, the Canadian wilderness has been mapped from the air. Prospectors have been flown in to promising areas, in a few hours, a journey which would formerly have taken weeks. Supplies and equipment have been flown in to remote areas. Whole mills have been transported by air.

* * * *

As a result of this initiative there are today some 200 aviation companies throughout Canada engaged in transportation.

The growth of the aviation industry in Canada is typical of how the mining industry works hand in hand with other industries for the enrichment of the Dominion as a whole.



Millions of Pounds Flown

Figures to the right and left indicate the number of millions of pounds flown by Canadian airplane companies from 1926 to 1935. This figure jumped from slightly over four million pounds in 1933 to nearly 15 millions in 1935.

Seven Canadian Metals Break Output Records 1935 Estimate Reveals

Mineral Production Up 11 Per Cent in Value — Volume of Gold, Copper, Nickel, Zinc, Selenium, Tellurium and Sulphur Highest in History

Canada's mineral output in 1935 came, in value, very close to the peak year of 1929, and showed an improvement over 1934 of 11 per cent, according to a report issued by the Mining, Metallurgical and Chemical Branch of the Dominion Bureau of Statistics.

The official estimate places a value of $308,164,000 on mineral produced in 1935. The value in 1929 was $310,850,246, and in 1934, $278,161,590. The 1929 valuation was due largely to base metals and non-metallics.

The year 1935 saw new records in the output of gold, copper, nickel, zinc, selenium, tellurium and sulphur.

The strides which the mineral industry took in 1935 can also be shown by comparing production by groups. Metals showed an advance of 14 per cent to a total of $221,728,000. Fuels, including coal, natural gas, crude petroleum, and peat amounted in value to $54,280,000, a slight gain. Non-metallic minerals other than fuels increased 16 per cent in value to $12,130,000. Structural materials, which include cement, lime, clay, stone, sand and gravel advanced 4 per cent to $20,026,000.

Gold Sets New Peak

In both volume of gold production, and value, 1935 was a record year for Canada. The output for the year is estimated at 3,290,664 fine ounces, an increase of 318,590 ounces over 1934. Every province, except Alberta, where only a minor amount of gold is produced, showed an increase in production. Nova Scotia, which produced 7,967 fine ounces, more than doubled its 1934 production. Quebec production was up 22 per cent.

Estimated production of gold by provinces, together with 1934 production, is shown in the following table:

Gold Production by Provinces

	Value* 1934 $	1935 $
Nova Scotia	121,613	280,359
Quebec	13,458,347	16,706,312
Ontario	72,634,195	78,300,635
Manitoba	4,565,075	5,156,883
Saskatchewan	186,472	419,641
Alberta	13,558	5,314
British Columbia	10,218,762	13,541,006
Yukon	1,338,531	1,388,316
Total, Canada	102,536,553	115,798,466

*In Canadian funds. Average price, 1934, $34.50; 1935, $35.19.

Silver Production

Silver production, at 16,413,482 fine ounces was slightly under the 1934 figure. The average price for the year was 63.03 per ounce, compared with an average price of 47.46 cents in 1934. This increase in average price caused the value of output to gain 33 per cent over 1934.

In copper, of which Canada produced 418,753,148 pounds, a new record was set. Well over half of this amount was produced by the nickel-copper mines of Ontario.

Canada's nickel output, consisting of electrolytic nickel, nickel-oxide, and nickel in copper-nickel matte exported, totalled 139,194,348, an increase of 8 per cent over the preceding year.

Lead output, at 337,459,472 pounds was slightly under the 1934 figure, but owing to the increase in price from an average of 2.43 cents in 1934 to an average price in 1935 of 3.14 cents, value of Canada's production was 26 per cent higher than in 1934.

Zinc production was the greatest on record, in both volume and value. The total production was 316,250,769 pounds valued at $9,826,000 as against 298,579,683 pounds in 1934, with a value of $9,087,571.

Coal production marked a slight decrease at 14,108,718 tons, worth $42,498,712. While output from the mines of Nova Scotia, and British Columbia showed a decrease, New Brunswick, Saskatchewan, and Alberta produced more coal than in 1934.

Details of Canada's mineral production in 1934, together with the 1935 estimate, are shown in the following table:

MINERAL PRODUCTION

		1934 Quantity	1934 Value $	1935 Quantity	1935 Value $
Metallics:					
Gold	oz.	2,972,074	61,438,220	3,290,664	68,024,000
Estimated exchange		....	41,098,333	....	47,774,000
Silver	oz.	16,415,282	7,790,840	16,413,482	10,346,000
Nickel	lb.	128,687,340	32,139,425	139,194,348	35,450,000
Copper	lb.	364,761,062	26,671,438	418,753,148	32,322,000
Lead	lb.	346,275,576	8,436,658	337,459,472	10,620,000
Zinc	lb.	298,579,683	9,087,571	316,250,769	9,825,000
Platinum metals	oz.	200,162	6,190,045	186,981	5,326,000
Cobalt	lb.	594,671	592,497	637,847	514,000
Other metals		....	665,941	....	1,527,000
Totals		....	194,110,968	....	221,728,000
Non-Metallics—Fuels:					
Coal	ton	13,810,193	42,045,942	14,108,718	42,499,000
Natural gas	M. cu. ft.	23,162,324	8,759,652	22,567,700	8,367,000
Petroleum, crude	brl.	1,410,895	3,449,162	1,430,200	3,406,000
Peat	ton	1,878	7,343	2,000	8,000
Totals		....	54,262,099	....	54,280,000
Other Non-Metallics:					
Asbestos	ton	155,980	4,936,328	212,857	6,972,000
Feldspar	ton	18,302	147,281	15,934	128,000
Gypsum	ton	461,237	863,776	556,140	920,000
Magnesitic-dolomite		....	382,927	....	474,000
Quartz	ton	272,563	482,265	228,488	421,000
Salt	ton	321,753	1,954,953	354,517	1,723,000
Sodium sulphate		....	587,986	....	341,000
Sulphur	ton	51,537	515,502	60,466	585,000
Talc and soapstone		....	180,777	....	156,000
Other non-metallics		....	449,969	....	410,000
Totals		....	10,501,762	....	12,130,000
Structural Materials:					
Clay products (brick, tile, sewer pipe, pottery, etc.)		....	2,680,410	....	2,800,000
Cement	brl.	3,783,226	[illegible]	3,587,913	5,583,000
Lime	ton	368,113	[illegible]	426,372	3,061,000
Stone, sand and gravel		....	[illegible]	....	8,582,000
Totals		....	19,286,761	....	20,026,000
Grand totals		....	278,161,590	....	308,164,000

TWO EXCHANGES TRADING SHARES OF PAMOUR PORC.

Drilling Indicates Reserves of 1,475,000 Tons, Manager Reports

Stock of Pamour Porcupine Mines started trading on the Montreal Curb market at the opening of business Friday, December 27, and on the mining section of the Toronto Stock Exchange the following day.

Pamour Porcupine was incorporated with a Dominion charter on March 7, 1934, with an authorized capitalization of 3.5 million shares of no par value. This was increased to 5 million shares in May this year. A total of 3,405,000 shares is outstanding in the hands of the public. The listing covers the total authorized capital, and the ticker abbreviation will be PAM in Montreal and PP in Toronto.

The company, controlled by Noranda Mines, owns a large number of claims in the Whitney Township near Cochrane, Ont. A complete mining plant has been installed on the property, and a mill of 500 tons daily capacity is under construction. Production, it is expected, will start in May or June of 1936.

Sensation of Porcupine Camp

The Pamour property, in Porcupine area of Ontario, has been one of the big highlights of mining development during the past year, although the property itself is an old one. The present company is an amalgamation of the old Three Nations, LaPalme Porcupine, and Porcupine Grande, companies which date back to the early days of this camp. Three Nations and Porcupine Grande have no equity in the present company.

The property attracted the attention of Quebec Gold Mining Corp., with the result that the latter concern was granted options totalling 2,165,000 shares, at prices ranging from 10 cents to 50 cents, and totalling $669,750.

Another 1,500,000 shares of Pamour were issued to various interests for properties, including 470,000 shares to LaPalme Porcupine. This leaves Pamour with a total of 3,665,000 shares outstanding.

Quebec Gold Mining Corp. in turn interested Noranda Mines in the venture, with the result that Noranda sub-optioned a controlling stock interest in Pamour from Quebec Gold Mining Corp. Under this arrangement, Noranda has options still outstanding on 850,000 shares, 600,000 of which are at 50 cents per share, and 250,000 at 75 cents per share. J. R. Timmins has also options on 485,000 shares at prices ranging from 20 cents per share to 45 cents.

Indicated Ore 1,475,000 Tons

At Pamour a new shaft is being sunk with an objective of 600 ft., and is now approaching the 300 ft. level. The mine managers report shows an estimate of ore indicated from diamond drilling at 1,475,000 tons, with an estimated gross value of $13,466,750, or an average of $9.13 per ton.

In the balance sheet as at Oct. 31, 1935, Pamour Porcupine shows current assets of $59,438 as against current liabilities of $116,477, made up largely of accrued wages and accounts payable. In addition to current assets, the company has $35,000 in Dominion of Canada 4½ per cent bonds due Nov. 1, 1935.

Young-Shannon May Lower Duck Lake Group Open-cut

Drilling on the 1,000-acre block adjacent to the main holdings of Young-Shannon Gold Mines north of Sudbury has proven that the open-cut section in the centre of the ore zone is the area where mining should be carried on, the company informs The Post.

This property, known as the Duck Lake group, is being developed by Young-Shannon, which has an 80 per cent interest in it. Drilling was carried on at intervals along the ore zone on the No. 20 vein for 6,000 ft. in length. The company reports that a contract to further deepen the richest section of the open-cut may be let.

Drills Yield $18.90

At this point, a length of 60 ft. close channelling shows an average of $20 per ton ore across 3 ft. width. East of the open-cut, 100-ft. length is now being trenched at Lake level. Drilling here yielded average across what is deemed to be true width of 6 ft. The cost of piling up $20 mill feed ore across the width of the open-cut will be, officials estimate, about $5 per ton.

The ore is free milling and without the copper content of the ore in the two adjacent groups.

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McMILLAN STOPS ALL OPERATIONS PENDING MEETING

Hopes of Officials Are Dashed—Ore Below 625 Disappointing

From Our Own Correspondent

SUDBURY.—All mining and milling operations at the McMillan Gold Mines, in the West River area, were suspended the day before Christmas, according to a statement by Geo. M. Miller, of Sudbury, president.

Exploratory work at the 750- and 875-ft. levels, begun early last fall, has not disclosed ore of a volume or grade that could be mined at a profit, Mr. Miller stated. Consequently it was decided to close down, at least until the situation could be laid before the shareholders.

Owing to the rapid depletion of the ore deposit at and above the 625-ft. level, J. G. MacGregor, consulting engineer, last summer recommended that two more levels be opened up, remarking at the time that upon the results secured depended the future of the company.

Early this month there were indications in development work at the two lower levels that payable ore was being encountered, but further operations have failed to substantiate the hopes of the McMillan officials that a continuation of the deposits above would be established at depth.

For the last few weeks, as profitable ore above the 625-ft. horizon had been exhausted, the mill was being fed with low-grade ore from the dump, which barely paid expenses. It had been the intention of the management, if the lower levels had proved up as hoped, to close down the mill in any event, and concentrate for a time in development of a reserve of millfeed.

Mr. Miller announces that a meeting of McMillan directors will be held in New York Dec. 30, to review developments, and that in all probability a general meeting of shareholders will be called, when the future policy of the company will be determined.

New Map Issued Of Amos District

Based on investigations made in the area by L. J. Weeks, the Geological Survey, Department of Mines at Ottawa has issued a colored geological map sheet of the Amos area, western Quebec. The scale is one mile to the inch, which enables the geological features to be brought out in some detail. Marginal notes describe the physical features, general geology and mineral deposits of the area.

No important mineral discoveries have been made in the Amos map area, though development work has been carried out intermittently since 1916. The area is easily accessible, but a heavy overburden of clay and sand found in most sections makes prospecting particularly difficult.

Copies of this map may be obtained from the director, Bureau of Economic Geology, Department of Mines, Ottawa.

Siscoe Gold Mines—Will probably make a record production for December with an output of over $200,000 expected. Developments on the mainland indicate an exceptional tonnage of medium grade ore, while the "E" vein now shows much visible gold, northern advices state.

ALDERMAC MOVES TO SELL ASSETS TO NEW COMPANY

Shareholders to Discuss Plan—Calls For Pilot Mill

As predicted in the annual report issued last April, a reorganization of Aldermac Mines, owning a pyrite-copper property in Rouyn area of Quebec, is definitely under way, shareholders have been advised. A special general meeting will be held in Montreal on Jan. 7 to discuss the reorganization.

Under the scheme as outlined, a new company will be formed with an authorized capitalization of 5 million shares, of no stated par value. The new company will purchase all the assets of Aldermac, the latter company to receive 1,249,674 shares in exchange.

While no details as to possible distribution of these shares are contained in the report to shareholders, it is known that Aldermac had, as at Dec. 31, 1934, 4,998,695 shares of its 5 million share authorized capitalization outstanding. This would permit a distribution to Aldermac shareholders of one new share for each four old shares held.

Assume Liabilities.

The new company would assume the current liabilities of Aldermac, the amount not to exceed $55,000. As at Dec. 31, 1934, current liabilities of Aldermac stood at $70,151, exclusive of $511,703 due Towagmac Exploration Co. The new company will assume all indebtedness to Towagmac, the agreement states.

In addition, the new company will assume all overdue and accrued interest on existing first mortgage gold bonds to Jan. 2, 1936, amounting to $45,500.

It is planned to get a release of the liabilities to Towagmac by issuing to that company 780,000 shares of the proposed new concern. The agreement also provides for the erection of a pilot mill, three quarters of the cost to be paid by the new company.

MacAlpine Buys Stock

Subject to this agreement, C. D. H. MacAlpine, a director of Aldermac, agrees to purchase from the new company 700,000 treasury shares at 20 cents per share. Col. MacAlpine will also be given an option on 1,400,000 treasury shares of the new company at 40 cents per share, and 500,000 shares at 45 cents per share. The terminating dates of these options is not given in the agreement.

Commenting on the proposed agreement, J. J. McFadden, president of Aldermac, states that the rights to a new process for making sulphur from pyrite are to be acquired for the new company. It will be recalled that mention of this new process was made in the company's annual report.

Jowsey Island Gets 0.67 In Drift on First Level

Drifting on the first level at Jowsey Island Gold Mines, subsidiary of God's Lake, in the God's Lake field of Manitoba, had proceeded 65 ft. in ore averaging 0.67 oz. across a width of four ft. to Dec. 15, officials of the company inform The Post.

The crosscut north to the "B" ore body indicated by drilling has been completed, and 2.1 ft. of drifting has shown values of 0.13 oz. Across a width of 3.4 ft. values of 0.08 oz. have been averaged.

WHAT OF SOCIAL CREDIT ?

What has really happened since the Social Credit Government of William Aberhart went into office in Alberta? What, in the opinion of well-informed people who are close to the picture, is likely to happen?

Searching for brass-tacks answers to these questions, H. Napier Moore, Editor of Maclean's, recently visited Alberta. His on-the-spot findings are presented in two articles, of compelling interest to every Canadian who is looking for a straightforward account of the most astounding phenomenon in Canadian political history. The first article appears in the January 1st issue.

And in the Same Issue:

"MY FLIGHTS"

by

Sir Charles Kingsford Smith

More gripping than fiction — the authentic story of his own flights, written just before he left on his last adventure, by one of the most daring heroes of the air. In three installments, the first in the January 1st issue.

JANUARY 1st ISSUE—NOW ON SALE

Maclean's 5c

Capital Now Swings To Canadian Mining Analysis Indicates

Stake in Industry Now Well Over $831 Millions

EMPLOYMENT GAINS

Trend in 1932, 1933 and 1934 Shows Steady Growth of Confidence — Gold Leads

Capital, for the past three years, has been steadily increasing its stake in the Canadian mining industry.

Figures recently released by the Mining, Metallurgical and Chemical Branch of the Dominion Bureau of Statistics show that the capital employed in this industry during 1934 totalled $831,023,187.

This compares with a total of $810,355,705 in 1933 and with $685,211,573 in 1932. In 1931, capital employed was $842,060,020. The high figure in 1931 was due chiefly to the large investment in non-metal mining which, in that year amounted to over $325 million. Capital invested in this class of the industry in 1934 was only slightly over $263 million.

Metal mining, particularly gold, has been the biggest attraction for capital in the three years under review. As a result, the number of plants engaged in the metal mining has increased from 312 in 1931, to 636 in 1934. The number of companies engaged exclusively in auriferous quartz gold mining, as contrasted with alluvial mining, increased from 68 in 1931 to the striking figure of 416 in 1934.

Higher for 1935

Alluvial gold mining also grew in popularity in 1934, the number of firms so engaged totalling 93 in that year, compared with 74 in 1933.

While official figures for 1935 are not, of course, available, it seems fairly safe to predict that they will show another increase in the amount of capital invested in Canadian mines. While gold has more than held its own, base metals have greatly improved in 1935.

The amount of capital employed in the various classes of mining over the three years make an interesting comparison, as shown below:

Capital Employed

	1934 $	1933 $	1932 $
Metal Mining:			
Alluvial gold	14,315,701	10,402,706	7,306,130
Auriferous quartz	214,068,359	158,599,931	58,167,335
Copper-gold-silver	39,892,387	40,228,626	14,793,372
Silver-cobalt	5,102,491	3,365,755	3,005,872
Silver-lead-zinc	12,923,827	17,706,026	11,921,067
Nickel-copper	31,685,426	30,048,125	23,137,628
Miscellaneous	1,548,205	563,500	1,140,200
Smelting, refining	146,047,422	146,085,284	149,708,860
Total	465,583,818	406,998,952	269,180,464
Non-Metal Mining:			
Coal	118,274,406	125,740,790	131,879,671
Natural gas	70,767,123	80,937,170	75,187,066
Petroleum	35,408,801	36,972,528	48,568,562
Abrasives	234,776	58,556	679,865
Asbestos	21,816,350	31,173,325	30,081,362
Feldspar and quartz	1,310,182	1,143,792	936,177
Gypsum	7,352,562	8,769,564	8,054,148
Iron oxides (ochre)	172,730	156,551	206,863
Mica	139,716	312,396	119,670
Salt	3,711,598	3,708,358	3,805,008
Talc, soapstone	640,194	684,375	703,532
Miscellaneous	3,291,842	4,202,736	2,072,913
Total	263,120,280	293,860,141	302,294,837
Clay Products, Etc.:			
Brick, tile, sewer pipe	22,633,285	23,760,177	24,910,020
Stoneware and pottery	413,522	451,703	437,562
Cement	53,413,000	54,403,379	55,294,814
Lime	8,497,896	8,920,042	6,823,949
Sand and gravel	4,377,551	6,203,113	9,542,446
Stone	12,983,836	15,758,198	16,727,481
Total	102,319,089	109,496,612	113,736,272
Grand total	831,023,187	810,355,705	685,211,573

Provinces

Nova Scotia	55,799,825
New Brunswick	5,090,927
Quebec	132,819,808
Ontario	323,309,378
Manitoba	36,329,062
Saskatchewan	11,107,998
Alberta	108,786,069
British Columbia	144,025,741
Yukon and North West Territories	13,754,379
Canada	831,023,187

Wages $88.1 Millions

As might be expected from the above figures total salaries and wages paid, which in 1932 totalled some $71.7 millions, and in 1933 were $70 millions, soared to $88.1 millions in 1934. Here again, it is certain that the 1935 figure will show another increase over 1934.

The following comparative tables show salaries and wages paid by the various classes of mining in 1934 and 1933. The figures for 1932 are, on the whole, so similar to 1933 that they have been omitted for the sake of brevity.

Salaries and Wages

	1934 $	1933 $
Metal Mining:		
Alluvial gold	1,027,569	704,151
Auriferous quartz	27,156,887	20,536,012
Copper-gold-silver	4,869,801	3,938,778
Silver-cobalt	361,726	322,281
Silver-lead-zinc	1,935,284	1,501,012
Nickel-copper	4,375,702	2,518,181
Miscellaneous	32,273	14,275
Smelting, refining	11,059,206	8,403,181
Total	50,818,448	37,937,871
Non-Metal Mining:		
Coal	25,662,591	22,378,736
Natural gas	1,789,811	1,650,815
Petroleum	1,072,617	773,734
Abrasives	20,580	7,796
Asbestos	1,608,812	1,279,093
Feldspar & quartz	205,508	117,037
Gypsum	324,731	263,279
Iron oxides (ochre)	24,980	15,631
Mica	50,391	25,007
Salt	551,998	473,420
Talc & soapstone	79,711	83,060
Miscellaneous	371,762	241,999
Total	31,763,492	27,309,607
Clay Products, Etc.:		
Brick, tile & sewer pipe	1,165,740	1,011,747
Stoneware & pottery	97,237	90,146
Cement	1,009,686	781,746
Lime	535,492	480,833
Sand & gravel	1,236,819	1,169,079
Stone	1,499,272	1,250,776
Total	5,544,246	4,784,327
Grand total	88,126,186	70,031,805

Morris-Kirkland Option Cut from 35 to 25 Cents

Morris Kirkland informs the Toronto Stock Exchange that the price governing the option at which the treasury shares are to be taken down under the Dec., 1935 and Jan., Feb. and March, 1936, installments has been reduced from 35 cents per share to 25 cents.

It is understood that these options cover 500,000 shares at 35 cents per share, both in favor of J. J. Hackett of Boston.

Morris Kirkland Gold Mines, which succeeded Kirkland Gold Belt Mines in the eastern Kirkland Lake district is planning production in the near future.

God's Lake Values 0.54 Oz. on Third

God's Lake Gold Mines, Manitoba producer, reports that the No. 3 ore shoot on the third level averages 0.54 oz. over a width of 4.2 ft. for a length of 55.8 ft. with the face still in ore. The report is signed by Eldon L. Brown, manager, and is dated Dec.

Mr. Brown also reports that the No. 1 raise on the third level is still in ore. The mill output is averaging about tons per day, with the mill continuously operating at the same tonnage. The winter road from Ilford is now open with the tractors making regular trips.

Capps Gold Mine Seeking Permit To Sell in U.S.A.

The Securities and Exchange Commission at Washington, D.C. reports that among the companies seeking registration for their securities is Capps Gold Mine of Toronto, which has filed a registration statement covering 300,000 shares of $1 par value common stock to be offered at 35 cents a share. Julian H. Ferguson, of Philadelphia, Penn., is the principal underwriter, and Harold R. Frost, of Toronto, is president.

Records on file at The Financial Post office indicate that Capps Gold Mine took over the old Capps mine five miles from Charlotte, North Carolina, U.S.A., an old property which has produced about $1.2 millions of gold, during its lifetime under antiquated mining methods. The company has an authorized capitalization of $3 millions in $1 par value stock, of which $1.7 millions were outstanding as at September 14, 1935. This outstanding capitalization had all been issued for properties and organization.

Mining Exchange Trading Shares Of Quebec Gold

Simultaneously with the listing of Pamour Porcupine stock on the Mining Section of the Toronto Stock Exchange, the stock of Quebec Gold Mining Corp. which holds a substantial interest in Pamour, was listed, trading in this stock having started Dec. 28.

Quebec Gold Mining Corp. was incorporated with a Quebec charter in February, 1935. The corporation has an authorized capitalization of 4 million shares, par value $1, of which 2.5 millions are outstanding. Of the outstanding stock, 1,293,200 were sold for cash, and 250,000 shares for properties in Rouyn Township. In addition, the corporation issued 956,800 shares to unit holders of Quebec Gold Mining Syndicate.

Besides its interest in Pamour, details of which are shown in connection with that company, Quebec Gold Mining Corp. has investment holdings in Bussieres Mining Co., Canadian Malartic, and others.

Vidette Gold

Indications of improved conditions at Vidette Gold Mines, Kamloops, B.C., producer, are contained in the second annual report for the year ended Sept. 30, 1935.

The report confirms the fact that continuous milling may soon be resumed. Due to a faulting of the vein, milling was discontinued in July of this year, while work was concentrated on development below the fault. This work, officials report, has been successful, and although estimate of ore reserves is contained in the report, it is stated that continuous milling would be resumed immediately.

During the past year the company milled 8,348 tons of ore. In concentrates and bullion, this tonnage yielded a total of 4,565 ounces of gold.

The balance sheet as at Sept. 30, 1935, shows current assets of about $15,262. Current liabilities total $15,930. In addition to current liabilities, there is a loan payable, secured by 50,000 shares of the company, to certain shareholders of $16,000, which falls due February 16, 1936.

PLAN 50-TON MILL AT BOUSQUET GOLD AS WORK RESUMES

Claim Ore to Third Level Sufficient for Two Years

From Our Own Correspondent

SUDBURY—Construction of a 50-ton mill and resumption of underground operations will be undertaken immediately by Bousquet Gold Mines, in the West River area, according to announcement by Lionel Brooke, president.

New finances have been arranged, and it is understood that interests close to previous operators are concerned in the deal. Work will be under way as soon as plans can be perfected, and it is hoped to have the mine in production in a few months. Known ore down to the third level is stated to be sufficient to feed a 50-ton mill for two years.

Underground operations at the Bousquet were suspended last summer, to await arrangements for additional financing. Three levels had been opened up, at 150, 300 and 450 ft. Initial results at the 450 were somewhat disappointing as values were low, but a programme of lateral diamond drilling disclosed a strong quartz vein in the diabase, and this was proved up for a distance of 160 ft. At one point a core intersection gave an assay of 1.65 ozs. gold over a width of six feet.

Higher Grade at 300

Grade of ore at the 300-ft. level was found to be considerably higher than on the horizon above. Average grade so far developed is estimated at $18 per ton at present gold prices.

$35,000 Mining Syndicates Losing Favor With Public

Heavy Promotion Expense Leaves Little for Actual Development—Private Groups Providing Funds

By THOMAS C. THOMPSON

What has happened to the scores of $35,000 mining syndicates that flooded Ontario two or three years ago?

Were they rackets, or were they honest efforts on the part of small groups to finance promising mining claims to a point at which their productive possibilities could be proven?

Several years ago the syndicate scheme for mining promotion swept Ontario from one end of the province to the other; thousands of small speculators who could raise only $10 or $20 bought syndicate units in the hope of huge returns; and yet today the public offerings of units in mining syndicates have dropped almost to zero. $35,000 was the usual limit of capitalization for these syndicates, under the regulations by which they could be created.

Both the promoters of syndicates and those who bought units have turned largely to other means of making money. The small speculators still have their unit certificates, the promoters have spent the money, and the properties in most cases remain in much the same condition as they were when the syndicates were formed.

Sound—In Theory

The syndicate scheme is undoubtedly sound in theory, and it is the simplest method yet devised to prove the possibilities of a piece of mining ground.

Syndicates usually consist of a few men, including for example, the staker of the ground, an engineer or some other mining man familiar with the claims, a promoter or two, or in short, anyone connected with the claims in their pre-development phase.

Naturally, funds must be raised for surface exploration and diamond drilling, as well as test pitting, trenching, and other preliminary exploration. The syndicate is formed for this purpose with a capitalization of $35,000, divided, for example into 3,500 units with a par value of $10 each.

Vendors Get Units

The staker or owners of the property sell the claims to the corporate syndicate in return for a block of units, and these are placed in escrow. The balance, perhaps 1,500 units, is then offered to the public at $10 each, the proceeds to be used for mining exploration and development.

Theoretically, the syndicate will have $15,000 or more from the sale of units to the public, to finance its operations.

But in reality there are scores of deductions. One is for commissions on the sale of units, and 25 per cent is allowed for this item. An office must be maintained, and further expense is entailed for office rental, clerical staff, telephones, etc.

Advertising of the new unit offering—on the scale of a year or two ago—eats into the syndicate's funds still further and the advertising costs alone have mounted in some cases to more than all other "overhead" expense combined. A glance at the full page advertisements offering units at $10 or $20 each in the files of newspapers in 1932, 1933, and 1934 gives ample evidence of the drain on syndicate capital for this purpose.

Little Left For Mining

The amount left for actual exploration and development expense can, under the circumstances, vary widely, but even if none of these drains existed on the syndicate's treasury, another factor enters the situation.

With promotion, advertising, overhead, and other costs cut to the minimum, the syndicate may be assumed to have $15,000 in cash for development purposes, although the figure is a generous estimate.

How far will $15,000 go in proving a mining property?

If there are surface showings, it may be ample, but if ore happens to be deep seated, it may be necessary to carry out extensive drilling operations at depth; to sink a shaft, and carry out lateral exploration before it can be established that the property will produce gold at a profit.

Even then, the ore deposits may prove to be non-commercial in grade.

Or there is apt to be disappointment, as in the case of the Swayze field, where surface showings were highly favorable but underground work showed that commercial ore did not extend to depth. To determine the actual merit of the property, an expenditure of more than the entire capitalization of the syndicate may be needed—only to find that even more money must be spent to locate commercial ore in quantity sufficient to warrant mill construction.

Intended to Prove Property

The tremendous scope of pre-production expense in mining was not, of course, intended to be met out of syndicate unit sales, since it is obvious that once proved, a property will readily attract funds for further development to the production stage. The unknown factor is whether the syndicate's funds will prove it sufficiently to attract further expenditure. And if the promoters use the bulk of their receipts for overhead expenses, and only a part of the unit sales' proceeds remains for actual mining, the chances of proving the property are lessened correspondingly.

What then are the prospects of the speculator who buys units at $10 or $20 each?

The majority are people of small means, and it was to permit them to share in the returns of the mining industry that the syndicate scheme was conceived.

Risk is Greatest

The sum of $10 or $20 is not much to lose, and it was assumed that the public would realize the risky nature of any speculation in a mining property during its initial stages, since it is the stage at which claims are first discarded as a failure, and the money spent on them written off as a loss, or they show enough merit to warrant further expenditure.

That, too, is the gamble on which the unit holder embarks when he purchases units.

Assuming again the most optimistic view, that the property responds favorably to preliminary exploration (after likewise assuming the funds were spent for that purpose), the next step is formation of a company to replace the original syndicate.

The unit holder knows, when he buys units, that they "will be exchanged for shares in a company to be formed."

Usually, he can expect to receive 100 or 200 shares in the projected company in return for each unit originally bought. If the syndicate or its underwriters maintain a market for the units after they are sold, the holder also knows approximately the fluctuating value of the units in terms of the stock which will succeed it.

But another difficulty arises when he finds, as often proves the case, that his stock is "pooled."

The escrowed, or pooled stock paid by the syndicate to the original owners of the property was placed in escrow to prevent it coming on the market while financing proceeded, and that precaution is wise for obvious reasons.

But the unit holder, while able to buy and sell units as long as a market for these exists, finds that only a portion of his stock is available when he surrenders his units in exchange for the promised shares.

Thus, while he can sell some of the shares, the balance cannot be sold until a further period elapses, and in that period anything can happen—at the property or in the market.

An example is seen in the holder of ten units, who is entitled to receive 200 shares per unit, but is given only 1,000 shares with the remaining 1,000 in escrow for a further period. It is "protection" for the market, but it effectively ties up stock and the holder usually loses no time in dumping the shares on the market as soon as they are available, particularly if the property meanwhile has shown no startling results.

Since other unit holders are inclined to do the same thing, the market for the newly released shares is automatically flooded with offerings—and without buyers unless the property has meanwhile proved a definite success.

Most properties do not; and units as well as shares lose both value and marketability.

Gold and Profits

Profits from mining are the difference between the price received for gold or silver and the cost of getting these metals out of the ground, so that whether development work is financed by a $35,000 syndicate or a $10 million mining enterprise the gold must be there in the first place. It is more apt to be found by the field men, geologists and engineers of a large mining enterprise with ample means than by the efforts of mining syndicates whose resources are limited to the contributions of $10 and $20 speculators, less vendors' units, commissions, overhead and advertising—out of $35,000.

Public is Wary

The reason for the rocky road travelled by mining syndicates in the last two years is, of course, the absence of funds designated for purely speculative purposes available from the public.

Syndicate promoters with wide experience state they no longer attempt to raise money for exploration and development through "mass appeal," since it is that method which more than anything else, causes the heavy expense of financing.

Willing to Take The Risk

Instead, they look for funds among brokers, financiers, or others willing to subscribe the money in large blocks, and who are nevertheless aware of the element of risk attached to such speculation.

These people, fully sensible of the risk they assume, but with sufficiently encouraging information about the property to justify the risk, are becoming interested in mining to a greater extent than ever before, mining men state.

They make their own enquiries, use their own efforts and business experience in conducting the enterprise, and if the gold is there—and can be produced profitably—theirs also is the lion's share of the profits. If the venture fails they pocket the loss, and usually they can well afford to do so in comparison with the $20 speculator.

Mining Enquiries

Imperial Reserve

I would be glad of a brief report on Imperial Reserve Mines, including some background. What is the present condition of the company and the property?

Imperial Reserve Mines was incorporated with an Ontario charter on Sept. 24, 1915. The company's head office is at 1,224 Bank of Hamilton Bldg., Toronto. In 1933 the company acquired the property of Canadian Mining Syndicate, consisting of 14 claims in Harker and Holloway Townships, Ontario. At present, the company is seeking to raise finances to develop its property, which has already seen considerable surface exploration. The company reports that values averaging $7.75 in gold, with gold at $20.67 per oz., have been indicated from this surface work.

This property still remains very much a raw prospect. The company has an authorized capitalization of $1.5 millions, divided into $1 par value stock. Latest reports stated that of this amount $865,000 were outstanding. The Interstate Trust Syndicate holds an option on 250,000 shares at 10 cents per share.

All financing has been done through this syndicate. In September of this year, the company stated that the property had been paid for in full, and debts amounted to $1,000.

Athona Mines

I would be obliged for some information on Athona Mines. Reports here all autumn have been most favorable but the price has declined from 70 cents in October to about 40 cents now. What is the prospect and if good why the decline?

Athona Mines is generally considered to be the second most advanced property in the new Beaverlodge Area of Lake Athabaska, now generally known as Goldfields. The most advanced, of course, is Consolidated Mining & Smelting.

It is difficult, in view of the remoteness of this district, to keep accurate tab on developments. We have, however, received information substantiated from various quarters that development at Athona has been very encouraging. As for the price decline, this is not unusual. When a new district is found, it gets a considerable amount of publicity and market values increase to a figure which is all out of proportion to development. As the district settles down to serious work, the original novelty of the district gets dimmed and public interest is inclined to wane. As far as we are able to judge, this has been true of Athona. The development is still, of course, a gamble.

Morris-Kirkland

Can you give me some advice on Morris Kirkland? I read in your paper they are installing 100-ton mill. Would you advise holding?

Morris Kirkland Gold Mines acquired the property of Kirkland Gold Belt, east of Kirkland Lake, and is at present installing a 100-ton mill. Development at this property has been fairly satisfactory and while this company still remains a speculation it has, as such, certain definite attractions.

The capitalization is low at $2,500,000, par value $1, and ore reserves are, according to official reports, as great as is usual with a prospective producer. The stock is listed on the Toronto Stock Exchange and the balance sheet as at January 21, 1935, latest available, showed cash on hand at $29,000 against accrued expenses of $1,086. As at March 22, 1935, cash on hand was reported to be $46,723.

Central Matachewan

I have been advised to purchase stock in Central Matachewan Mining Corp. While I realize that all mining is a bit of a gamble, I don't want to throw my money away unnecessarily. A brief report would be acceptable.

Central Matachewan Mining Corp. succeeded Powell Matachewan Gold Syndicate on a basis of one unit for 1,000 shares in the present company. The property consists of about 1,000 acres, 500 of which are in Powell Township and 500 in Baden Township in the Matachewan district.

Recently the company has been concentrating work on the Baden Township property. Five channel assays average $39 in gold at $35 per ounce gold. In August a drill was taken in and a limited amount of drilling was done. The freeze-up forced the company to stop drilling on November 23rd, and there is little likelihood, in view of the comparative inaccessibility of this property, for a resumption of operations until next spring. The two holes sunk before drilling ceased gave values of $12 across 23 ft. and values of $8.40 and $17.50 across an unstated width.

You can see from this that the company's property is still in an undeveloped stage. Officials of the company state that they have sufficient funds to finish the drilling programme, which will be carried out to an approximate depth of 500 feet.

The company has an authorized capitalization of $2 millions in $1 par value stock, of which $887,000 were outstanding as at March 31, 1935. The stock of this company was offered through Dixon and Co. at 25 cents a share.

Ed. Hargreaves Kirkland

What is your opinion of Ed. Hargreaves Kirkland Gold Mines? Would you classify this as an attractive investment?

The properties of Ed. Hargreaves Kirkland Gold Mine in Cobalt district of Ontario and in Lebel Township, Kirkland Lake, have both seen a considerable amount of development but have not yet indicated that they have any particular merit. It appears that the Kirkland Lake property is the more promising of the two, although even here it is little more than a raw prospect.

The company, as far as we are aware has issued no financial statement and the public is left in the dark as to the treasury's position. This company needs to spend considerable effort in development before its merits are known.

J-M Consolidated

Your usual unprejudiced opinion of shares in J.-M. Consolidated Gold Mines would be welcome. Do you think this stock is attractive?

J.-M. Consolidated Mines is developing a former producing property at Woman Lake, Ontario. Since J.-M. Consolidated was formed, intermittent production has been carried on with indifferent results. Prior to a few weeks ago, the stock had few attractive features, even as a speculation.

Recently, however, fresh interest has been attributed to this stock by the fact that Kirkland Hudson Bay Mines has undertaken a firm commitment to place $100,000 in the treasury for an unstated number of shares of J.-M. Consolidated. In return for this, Kirkland Hudson Bay Mines will also be granted an option on 200,000 treasury shares of J.-M. Consolidated at 40 cents a share. Strengthened by this additional financial backing, J.-M. Consolidated may now go ahead with its plans for a 100-ton mill.

This development materially changes the outlook for J.-M. Consolidated, inasmuch as Kirkland Hudson Bay Mines has a nice liquid position, current assets as at the close of the last fiscal year totalling nearly $350,000, with current liabilities negligible at $440.

Even with this background, J.-M. Consolidated is, of course, still a speculation. The consulting engineer, John W. Shaw, has estimated that ore blocked out amounts to approximately 45,000 tons of $11 per ton grade. This, with indicated ore in the north workings, would give a two years' milling supply at the 100 ton daily rate. This tonnage is usually considered satisfactory for a new producer.

Paymaster Consolidated

We hold some shares of Paymaster Consolidated, and are undetermined whether to sell at the present market or retain our stock. What would you advise?

Production at Paymaster Consolidated Mines has been holding up well since operations were resumed on September 24, 1934. Operations first became profitable at this property in February, 1935. At the present time the mill is handling an average of about 280 tons of ore per day, with an average recovery of slightly over $7 per ton. In September of this year, at the annual meeting of the company, officials stated that the ore reserves had been increased considerably during the year. On the whole, while we do not believe that the market is underrating the stock, its outlook at the present time appears good.

LAKE MARON GIVES SCANTY DETAILS IN ANNUAL REPORT

Company Believes Property Lies South of Favorable Zone

Lake Maron Gold Mines is advancing funds for development of a "number" of properties in the Little Long Lac field, Frank H. Bell, president, states in the annual report recently issued. While sufficient work has been done on the company's original property in this area to protect it until 1936, no discoveries of importance have been made, and officials believe the property lies south of the more favorable structural belt in this area. Accordingly the company has adopted a policy of making advances for development purposes against security on terms which gives it a preferred position to companies holding claims on what is believed to be the more favorable belt, shareholders are told.

No details are given as to the location of these properties, or the exact terms of the financing agreements.

Speaking of the company's other properties, Mr. Bell tells shareholders that work done on the Dasserat claims in Dasserat twp., Que., resulted in a decision to drop them.

The company has also decided not to undertake any more development work on the Arno claims, adjoining McWatters Gold Mines in Rouyn twp., Quebec. The option has therefore been dropped.

An option has just been entered into with a New York group who are interested in the Reed Lake claims, in Manitoba, in which property Lake Maron Gold has a 40 per cent interest. Surface work on these claims has been satisfactory, Mr. Bell states.

The company's investments include 150,000 shares of Longlac Lagoon Gold Mines and 30,000 shares of Glenora Gold Mines. The company has also an option on 200,000 shares of White Horse Gold Mines, in the Little Long Lac area, where drilling has been carried on.

On the balance sheet as at Nov. 30, 1935, are listed current assets comprising $276 cash in the bank; $1,037 sundry advances and accounts receivable and $13,137 investments in other mining companies, at book value. No information as to the present market value of these investments is forthcoming.

"Special Loan"

Also classified as current assets is the sum of $46,969, labelled "Special loan with accrued interest, being secured advances to Allied Interests carrying special rights and privileges." Further details are not contained in the report, and enquiries at the office in Toronto brought the answer that no further details were available. It is known that the company is associated closely with Oro Plata Mining Co. Current liabilities comprise accounts payable, and accrued charges totalling $909. Of its 4 million share authorized capitalization, 2,495,223 are shown as outstanding.

QUEBEC BUREAU ISSUES REPORT ON CURRIE AREA

Find Many Interesting Showings Around Rose Lake

Currie Township area, commonly known as the Rose Lake and Wedding Lake areas, about 70 miles north of Senneterre on the Quebec-Cochrane branch of the Canadian National Railways, was examined during the 1935 field season by G. S. MacKenzie for the Quebec Bureau of Mines.

Mr. MacKenzie, speaking of the economic geology of the area, points out that while to date gold is the only metal which gives promise of occurring in commercial quantities, Chalcopyrite is present with some iron sulphide in disseminated mineralization.

Prospectors' Airways

At the time of Mr. MacKenzie's visit to the area, the tunnel of Prospectors' Airways, pioneer company in this field, had been driven a distance of 961 ft. from the portal. Work had ceased short of the 1,000 ft. objective in favor of drifting along two quartz veins encountered in the tunnel. The first of these is at 633 ft. from the portal and had been followed to the west for 34 ft. over which length the quartz had a width of 0.8 ft. No assay returns were available, but free gold was to be seen in the quartz. The second vein is at 681 to 684 ft. from the portal and had been drifted on for 40 ft. to the west and 10 ft. to the east, over which length the quartz had an average width of 1.75 ft. and the north wall was mineralized for distances up to three ft. from the vein. Sampling from the west face of the vein at the tunnel gave an average value in gold of $150 per ton for over a width of 5.5 ft. Both veins dip sharply to the north and have a stronger appearance than the veins on the surface, although they are of a lenticular character.

Mr. MacKenzie's last visit to this property was in the early part of October.

Cameron Showing

The Cameron showing, discovered in the latter part of May by Messrs. Cameron and Beck, prospecting for J. H. C. Waite, of Toronto, is in Grevet Township about three miles southeast of Despoteaux Lake. The largest of the quartz veins found on this property is approximately 100 ft. in length and averages less than one ft. in width. Mr. MacKenzie reports that systematic sampling had not as yet disclosed ore zones of commercial size. Values up to 1.67 oz. gold per ton over widths of six inches and up to 0.31 oz. over one ft. were obtained along one zone with a length of about 100 ft. Channel samples over the wider mineralized portion in the tuff, however, yielded only values from nil up to 0.05 oz. per ton. The quartz in this vein was found to carry values up to 0.25 oz. of gold per ton over widths up to 1.1 ft. The mineralized zone in the tuffs has been explored on the surface over a length of about 1,000 ft. along the strike. Further exploration in the immediate vicinity is impeded by swamps and overburden, as is the case to the north. The possibility of finding silicified zones or quartz veins of commercial size and value in these directions might warrant exploration by diamond drilling, Mr. MacKenzie believes.

Woods Showing

The writer also comments on the Woods showing discovered in September by J. M. Woods, of Toronto, and the Jolin showing acquired last summer by the Harricana Basin Mining Co. of Amos, Que., from H. Bush. Both these properties have seen a limited amount of surface work.

Other companies which did exploratory work on claims in the area during the summer or past winter were: Langevin & Co.; Consolidated Mining & Smelting Co.; Engineers' Exploration Co.; O'Brien Mines; Ceres Exploration Co. and Karl Springer Exploration Co. Most of these companies did work on some sort of showing, results of which were unfavorable or are yet to be reported on. In addition, Mr. MacKenzie reports that many prospectors working for companies or privately were in the area.

More Bralorne Stock Is Listed at Toronto

Bralorne Mines, British Columbia producer, has listed an additional 250,000 shares on the mining section of the Toronto Stock Exchange, bringing the total listed capital of the company to 1,250,000 shares

The additional listing is occasioned by the increase of Bralorne authorized capital to give effect to the merger consummated with Bradian Mines, whereby the latter received one share of Bralorne for each 2½ of Bradian.

Clay Products

The value of clay products in Canada for September, 1935, was $310,679 compared with $311,496 in August and $257,719 in September a year ago.

DEL BONITA FIND OPENS NEW FIELD IN SOUTH ALBERTA

New Producer May Lead to Boom in Large Area

From Our Own Correspondent

CALGARY.—A new crude oil field covering thousands of acres in the southern part of the province has been indicated by the Terminal well on the Del Bonita structure.

Following a spectacular exhibition a few days ago when gas in the well hurled crude oil 80 ft. in the air, drilling was resumed and the well commenced to flow at the rate of 100 bbls. a day.

S. Myron Zandmer, of Los Angeles, president of Terminal Oil Co. announced that the well was a "commercial producer." The oil is rated at 34 degrees Baume and is accompanied by 5 million cubic ft. of gas daily.

Leads to Development

Even though the well did not develop into a spectacular "gusher," the strike is considered of importance and may lead to intensive development of the structure. Production was obtained at 5,083 ft., including a short distance in the limestone.

The Del Bonita structure is located about 45 miles south of Lethbridge almost at the international boundary line.

Sunshine Oil Co., of Vancouver, is reported to be interested in the test financially, while the Madison Oil Co. has acreage in the vicinity. Nordon Corp. is also interested as the Terminal well was drilled on a Nordon lease and Nordon has considerable acreage on the structure. Imperial Oil also holds acreage not far distant from the new wildcat producer.

Good News From Turner

Success at Del Bonita has created considerable excitement in Alberta. There is encouraging news from Turner Valley, however. British Dominion in the south end of the field was officially reported to be producing steadily 200 bbls. a day while drilling is continuing in the limestone.

Production is taken during 16 hours of the day and drilling is continued for the other eight.

The Union Freehold well is drilling in the limestone and may strike production at any time.

Renfrew Royalty, also in the limestone, is awaiting casing.

Spooner Oils

Spooner Oils lost an action brought by Hiram Spooner, brother of A. G. Spooner, president of Spooner Oils. Hiram Spooner protested a deal whereby A G. Spooner secured 250,000 shares of Spooner stock by paying $20,000 and transferring the company 240 acres of oil leases in Turner Valley.

Deal is Void

In a judgment just handed down in supreme court, Mr. Justice W. C. Ives declared the deal void and perpetually restrained the company from submitting it for ratification to shareholders. His lordship expressed the view that A. G. Spooner was desirous of obtaining control of the company by virtue of the deal. He expressed doubt concerning the value of the oil lands transferred to the company by its president.

Dividend in Doubt

Consequently the 15 cents a share dividend declared recently on the 250,000 shares of Spooner stock will be turned over to a trust company pending an appeal from Mr. Justice Ives's judgment.

If the appeal court upholds Mr. Justice Ives, the money will be returned to the treasury of the company, according to an official statement.

Red Lake Gold Shore Gets .6 oz. Gold at 300 ft.

Work on the 300-ft. level at Red Lake Gold Shore Mines has proved a length of 100 ft. with a width of 14 ft. and an average value of .6 oz. gold per ton, W. P. Mackle, engineer in charge, reports to the Toronto office.

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Municipal Bright Spots

Eastern Cities Reviewed

Municipalities in Quebec and Maritimes Administered Frugally—Finances Show Beneficial Results

The Maritime Provinces have the best municipal debt record in Canada. They have no municipal default problem. Quebec has only two per cent of the total funded indebtedness of the province's municipalities in default.

The excellent record of Maritime municipalities is due to several factors, but primarily to the character of the people. With a background of tradition and conservatism in all things, people of the eastern provinces have saved their money while they were earning.

This accumulated capital has helped to tide them over the difficult period of the depression. Never carried away by excessive optimism, municipal bodies have not embarked on expensive and unnecessary services.

A Steadier Trend

Another reason has been that the Maritime economic activity, while tied up with the rest of Canada, has tended to react less sharply on cyclical changes. While the boom curve in the Maritimes did not rise as high as in the rest of Canada, it did not have so far to fall. When central and western Canada was slowed down by depression in 1930 and 1931, fairly normal conditions continued in the Maritimes.

As in the majority of centres, however, the bottom of the depression was felt in 1933. But even now the trend of business "down by the sea" is above the general level for Canada.

Quebec's Record

While the thrift of the French-Canadian people has been a factor in the excellent position achieved by many Quebec municipalities, the principal factor, especially in recent years, has been strict supervision of municipal affairs by provincial authorities.

Nowhere else in Canada is there such rigid control over the financial affairs of municipalities as in Quebec. Vested with dictatorial powers, the Quebec Municipal Commission rules the financial affairs of the municipalities of the province with an iron hand.

Regulations requiring the commission to pass on, and approve or otherwise, all municipal debenture issues and all municipal loans for current purposes, has been a restraining check upon wasteful expenditure. Many costly and unneeded services have been side-tracked as a result. To a large extent the commission has endeavored to limit loans to the capacity to pay.

Close Scrutiny

Through periodic examinations of the affairs of school and municipal corporations the commission has been able to prevent or remedy unfavorable situations. At all times, it has tried to regulate the affairs of the municipalities so as to achieve sound and economical management on the part of the local authorities.

In this, it has to a large extent been successful, at the same time reducing the cost of government through the lower interest rates available to municipalities as a result of its policy. As a result of its work the extent of municipal defaults in Quebec has been restricted largely to localities depending upon the heavily depressed paper industry.

Halifax

While Halifax has a comparatively large debenture debt the city's finances are considered healthy. Its affairs are generally well administered, and as for total value of assessment, collection of taxes, and maintenance of sinking fund, the city has an excellent record.

Although in a sound position, steps are being taken to strengthen the city's finances. Recently a special committee of the Halifax Board of Trade made a study of the city's finances. This is indicative of the interest taken in the city's management by its citizens.

The committee made a number of recommendations to the city council, the chief of which were proposals for a review of the present forms of assessment and diligent check upon all expenditures so as to reduce them to a minimum. It was also suggested that no further capital expenditures be made unless economically sound and then only for necessary purposes.

No Increase in Debt

This latter policy has, in fact, been in force for several years. During the past few years no increase has been made in the city's debenture debt, which at the end of 1934 amounted to $11 millions. This is equivalent to $187 for each man, woman and child resident in the city. In addition, the city had bank loans outstanding at Dec. 31 last of $650,000. Total assets are valued at $20 millions.

Collections of the current tax levy in the fiscal year ended April 30, 1934, amounted to about 75 per cent of the levy. Total collections, however, were only slightly lower than the levy, totalling $2 millions.

The city's tax collection record is not the best in the Maritimes by any means, but there has been no serious deterioration in the financial position because of long-headed frugality in budget administration.

Moncton

Largely a railway and distributing centre, Moncton, N.B., like other such cities suffered severely from the depression, but has been able to maintain a sound financial position as a result of conservative administration.

While its funded debt has increased $500,000 since 1927, its balance sheet as at Dec. 31, 1934, showed a satisfactory financial position. With a gross debenture debt of $4.7 millions and a sinking fund of $1.5 millions, net debenture debt amounts to $3.1 millions as against assets of $6.9 millions.

Tax Arrears Reduced

Tax arrears are at a lower figure than in 1927, amounting to $300,000 at the end of 1934 compared with $407,272 at Dec. 31, 1927. Arrears per capita were substantially reduced in 1934.

Collections of the current levy in 1934 were 73 per cent of the levy. A substantial amount was collected on arrears so that collections amounted to 99 per cent of the levy. This indicates that no important ground is being lost.

Saint John

Realization that thrift is imperative to solidity and sound development has enabled Saint John, N.B., to come through the depression years in a sound position. Unlike many other municipalities it has not jettisoned thrift as an idiocy.

While most municipalities have been increasing their debenture debt, Saint John has reduced its net debenture debt during the past ten years. Since 1926 the debt has been cut by $300,000. As at December 31, 1934, gross debenture debt amounted to $9.4 millions. Against this a sinking fund of $3.1 millions had been provided, leaving a net debenture debt of $6.3 millions. The city's assets are valued at $12.6 millions.

To Improve Collections

While collections of taxes have been fair, amounting to 71 per cent of the current levy in 1934, steps are being taken to improve them. Realizing that the city's financial position depends upon efficient management, the city council during the past summer appointed Joseph E. Howes, assistant director of the Citizens Research Bureau of Canada, to study ways and means of improving tax collections and the efficiency of the assessment department.

Report on Taxation

His report was recently presented to the city council. Adoption of more up-to-date business methods is among the chief recommendations. In connection with this, Mr. Howes points out that the city is in competition with the butcher, baker and the installment collector for the portion of the taxpayer's income required to cover services rendered. To compete successfully, the city cannot rely upon its legal rights alone, but must use the up-to-date methods which business houses employ.

Under Mr. Howes's direction, a revaluation was made of all business properties in Saint John. His report recommends that this be extended to all real estate.

Granby

In connection with funded debt, tax collections and balanced budgets, Granby, the second largest city in the Eastern Townships section of Quebec, has one of the best records in Canada. It is in a much better position than most of the smaller industrial centres of the Dominion as a result of economical administration which the city has enjoyed for many years. The Miner Rubber Co. and the Imperial Tobacco Co. are the principal industries.

One of the principles laid down by municipal experts as a basis for judging the financial position of a municipality is that the net debt of cities with a population of 10,000 or more should not exceed $200 per capita. In this connection Granby has one of the best records in Canada, its per capita net debenture debt amounting to only $54.

Of its total debenture debt about $200,000 is represented by a mortgage on its public utilities. Since these are self-sustaining this cannot be considered a charge on the city's revenue account.

At the end of 1934, Granby had the lowest tax arrears per capita of any major city in the Dominion. Arrears amounted to $4.36 per capita. This was an increase of 46 cents from the previous year. During the year 84 per cent of the current tax levy was collected.

Unlike many municipalities a surplus was shown in revenue account. Revenue for the year totalled $138,095 while expenditures amounted to $135,661.

St. Hyacinthe

A thriving industrial centre of about 14,000 population St. Hyacinthe, P.Q., has in recent years been living within its income. Since 1927 its funded debt has increased by only $75,000, amounting to about $1.5 millions as at Dec. 31 last, of which over $650,000 of the funded debt was issued for public utility expenditures.

The city enjoys a fortunate position in regard to tax collections and to this, can be largely attributed its sound financial position. At the end of 1934, tax arrears amounted to about one third of a year's levy. Of the 1934 levy, 85 per cent had been collected.

Its excellent tax collections record reflects the good management which the city enjoys. As a result of a policy of careful expenditure, the tax rate has been kept at a low level, in 1934 amounting to 15 mills. Low tax arrears are an indication that the tax load is reasonable.

Westmount

Westmount, a self-contained residential municipality, surrounded by the city of Montreal, has one of the strongest financial positions of any city of over 25,000 population in Canada. With a city manager in charge, the municipality has been run in an economical manner. Necessary services, however, have not been stinted, the city being one of the best equipped on the continent.

Westmount is a city of homes. There are virtually no industries within its territory. The residents are well-off, the average per capita income being higher than for any other city in Canada. Its citizens have always taken a keen interest in the management of the city, with the result that Westmount has one of the most efficient town managements in the Dominion. This is reflected in its financial affairs.

Finances Sound

With a gross debenture debt of $6.5 millions as at Dec. 31, 1934, the city has made careful provision for its retirement through sinking fund. Net debenture debt amounts to $4.7 millions. Sinking fund at $1.9 millions is $156.000 in excess of requirements.

In 1934, the city reported a deficit of $31,754. This was taken care of by transferring a similar amount from the reserve for general purposes. In this connection, the city is in a rather fortunate position, few municipalities having such a reserve. At the end of the year a bank balance of $135,905 was reported in the general revenue account. Most cities close their fiscal year with a bank overdraft.

Sound Municipal Finance

"From the standpoint of soundness, municipal debentures stand next to government issues in the opinion of all well-informed investors. The reason for this is that practically no losses have been incurred through them. They also yield a fair rate of interest and if the necessity arises for resale, a ready market is usually available."

With these remarks, Thomas Bradshaw, a premier authority on Canadian municipal finance, opened an address before The Insurance Institute in January, 1915.

Today, 20 years later, the same statement does not hold. The unfortunate experience of the past few years has changed all that. With $141 millions of Canadian municipal bonds in default, confidence has been shaken. It has not been destroyed, however, because many municipalities have made good in meeting their obligations even during the difficult depression years.

The purpose of these articles on municipal finance is to draw attention to the record of a few of the large number of sound municipalities, since the excellent position of the majority has been obscured by the publicity given to defaults.

The financial positions of several Maritime and Quebec municipalities are discussed in this, the second article of a series. The third and final article will appear in an early issue.

Beatty Makes Plea For New Economies

"Rigid economy in spending by public bodies is today more necessary than ever before and half measures in economy will not serve to avert serious consequences that threaten the progressive development of business.

"The diversion of increasingly huge sums of money from ordinary business into taxes for the payment of interest upon debts is a heavy drag upon industry and commerce. Its influence is toward lessening production, reducing employment and lowering wages. Business cannot expand on a permanent basis, as it should, until the problem of constantly increasing taxes is satisfactorily dealt with."—Sir Edward Beatty, chairman and president, Canadian Pacific Railway.

STOCK TAKING OF AGRICULTURE SHOWS DECLINE

Gross Revenue Slightly Behind 1934 But Inventory Better

The gross agricultural revenue for Canada for the year just closed is estimated at slightly below that of 1934. On a dollar basis this is placed at almost $914 millions as compared with $936 millions in 1934. Compared with 1933, however, 1935 shows a gain of almost 14 per cent.

Raw Material

In all estimates pertaining to agricultural revenue, it should be realized that such only represents a stock taking at a given period. The average Canadian farm is a small factory in regard to many phases of production. While a large portion of the wheat, fruit, vegetables, and certain other things are sold for cash as grown, on the other hand there is a vast amount of fodder, coarse grain, and roots, which never reaches market in original condition. This is used as raw material for the year-round production of meat animals, dairy products. It corresponds very closely to the inventory of a company.

At this time of the year, some attempt is made to place a value on this raw material, though the real value depends on the eventual price received by the farmer for the finished product. Hence then, though the stock taking at the end of 1935 reveals a gross agricultural revenue slightly below that of 1934, if present higher prices for beef cattle, hogs, and to a certain extent dairy products, prevail for the next six months, total revenue from the raw material consumed may be much higher than in 1934.

Feed Wheat

This year, for instance, there is a very large proportion of the Canadian wheat crop, estimated roughly at 60 million bushels, that is unfit for milling. Most of this will have to be fed to livestock. At present values, this grain is worth very little, but if the favorable market for livestock continues, and authorities agree that the outlook for it continuing is favorable, then that feed may be worth three or four times its present cash value. Similarly abundant crops of oats, barley, hay and roots in all parts of Canada may be worth three or four times the nominal figure placed on them in the year-end inventory when translated into finished material this winter.

Farm revenue in detail, is estimated as follows with a comparison with the final estimate for 1934.

Gross Agricultural Revenue

	1935 $	1934 $
Field crops	510,836,000	549,417,000
Farm animals	104,600,000	99,438,000
Wool	3,029,000	2,645,000
Dairy products	187,200,000	181,966,000
Fruit and vegetables	41,813,000	39,145,000
Poultry and eggs	44,000,000	44,267,000
Fur farming	5,000,000	4,539,000
Maple products	3,522,000	3,041,000
Tobacco	10,000,000	7,232,000
Flax fibre	178,000	250,000
Clover & grass seed	1,581,000	2,010,000
Honey	2,032,000	2,245,000
Total	913,791,000	936,195,000

Favors Control

B. C.'s Dr. MacDonald Hopes That Ottawa Will Not Scrap Farm Marketing Machinery

One who hopes that the King Government will not revise too drastically the Bennett legislation dealing with controlled agricultural marketing is Dr. K. C. MacDonald, minister of agriculture in the British Columbia Government.

Dr. MacDonald claims to have seen "hit-or-miss selling" in his own sunny Okanagan orchard country, "ruinous" competition in truck crops in the Fraser River Valley and "broken pledges and broken prices" in the prairie markets. He is a firm convert to the theory that nowadays the business end of farming must be organized and regulated.

Consequently, when word came out of Ottawa not long ago that the federal marketing machinery assembled during the last year of the Bennett régime might be scrapped he was alarmed. Apparently during the recent federal election campaign, he had not taken seriously the intimation of the Liberal party, that if elected, the compulsory features of the marketing legislation would be removed.

Inter-provincial Protection

Dr. MacDonald had been working for a plan under which the province would exercise greater control of goods imported from other provinces. He argues that there was no use in fixing prices on domestic production if an adjacent province could undersell in the home market. He also advocated a single selling agency for handling dairy production in this province, maintaining that to dissipate authority would dissipate growers' profits as well.

"British Columbia has gone in for controlled agricultural marketing to a greater extent than any other province," said Dr. MacDonald. "We naturally stand to lose most if the federal support is taken away. Milk producers, lamb raisers, vegetable men, tomato growers and orchardists have all been substantially aided by control. We in B. C. will do our best to continue control. If Ottawa turns us down, there is still hope that the British North America Act may be amended so as to give us the right to impose indirect taxation. We could then enact our own marketing legislation.

Voluntary Not Enough

"It is useless to depend on voluntary co-operation in marketing these days," says Dr. MacDonald. "You might be able to get away with it in a Utopian state where everyone was absolutely unselfish and strictly honest, but we are a long way from that."

Dr. MacDonald's advocacy of controlled marketing for farm products is entirely non-partizan. As a lifelong Liberal he might have been expected to find fault with the creation of a Tory government at Ottawa. Instead, while admitting that the law had defects, Dr. MacDonald wholeheartedly embraced it and British Columbia was the first of the provinces to adopt and give effect to the measure in respect to tree fruits, truck crops, dairy produce and even shingles and fish, although the latter two items were outside MacDonald's jurisdiction.

B. C. Sponsorship

Because of his early sponsorship of the federal marketing law, Dr. MacDonald takes a sort of paternal pride in it. After all, he points out, the federal measure is based largely on the plans that British Columbia has been trying to make effective for years.

But those plans, incidentally, do not seem to have made a great deal of headway in other provinces. So far, except for a few isolated schemes dealing with relatively small agricultural lines such as beans and tobacco, the Natural Products Marketing Act never seems to have progressed beyond the experimental stage outside of British Columbia. An ambitious scheme to control the marketing of eggs and poultry throughout the Prairie Provinces was defeated last winter.

Federal Support

"In the old days the weakness of provincial marketing legislation was lack of federal support," says Dr. MacDonald. "Withdraw federal support, and all you have left is turmoil and disorganization."

When Premier T. D. Pattullo chose as his minister of agriculture a practising dentist—for Dr. MacDonald has followed the dental profession since the early 90's—there was a roar of protest from the Fraser Valley and other farming sections. "What did a dentist know about farming?" the Valley farmers asked.

But in his own Okanagan community there was no dissatisfaction in the appointment, for in the Okanagan the doctor had been actively associated with the problems of the fruit growers for many years.

Is a Dentist

Born in Mattawa, Ont., in 1872, MacDonald studied dentistry in Philadelphia and moved west to British Columbia soon after the turn of the century. He lived in Grand Forks for a year or so, then moved to Vernon, where he has made his home ever since. He cannot remember when he was not interested in politics. Twenty-eight years ago he contested his first election in the Okanagan. He has been in and out of the B. C. legislature several times.

A slim, brisk, medium-sized man of 63, who only a few months ago decided to have his Van Dyke shaved off, Dr. MacDonald looks less like a minister of agriculture than any of his predecessors. "Possibly that's something in my favor," he remarks.

Alberta Coal

Alberta coal producers report an output of 657,828 tons in October, or 12 per cent above the tonnage produced a year ago.

The Bachelor's Corner

Rash Experiment

When a man gets well along in years—say past thirty — he should have gathered enough hoary wisdom to warn him against taking up skiing for the first time. I know that now. It sounds so attractive though; the very thought of it appeals to the gay bachelor heart. The crisp winter air, the bright costumes, the laughing, ruddy faces of the pretty girls, the drive out into the white silent countryside, all lift your spirit up to the very heights. Assuming a professional air you stand poised on a hilltop. What a gallant figure!

Then — Whew .... Splosh .... Bump!

It is only hours afterward, in front of a log fire, a fragrant Bachelor between one's teeth, that some semblance of dominant masculine poise returns. Rumpled dignity in a snow drift may be all right for youngsters, but for an old-timer—say past thirty—

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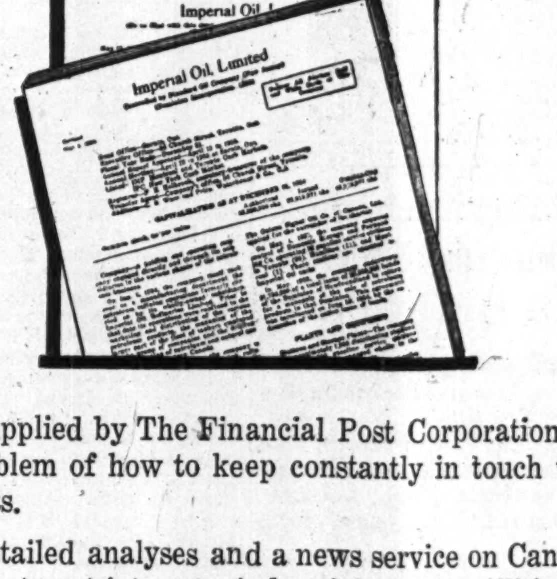

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